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THE NATION'S BUSINESS

May
1923



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Need We Fear Inflation Now?

By Arthur D. Welton

Goadng the Weary Taxpayer

By Herbert Corey

The Interdependence of Industry

By George E. Roberts

The Bogey of the Next Congress

By Claude S. Watts

The Railroads and Distribution

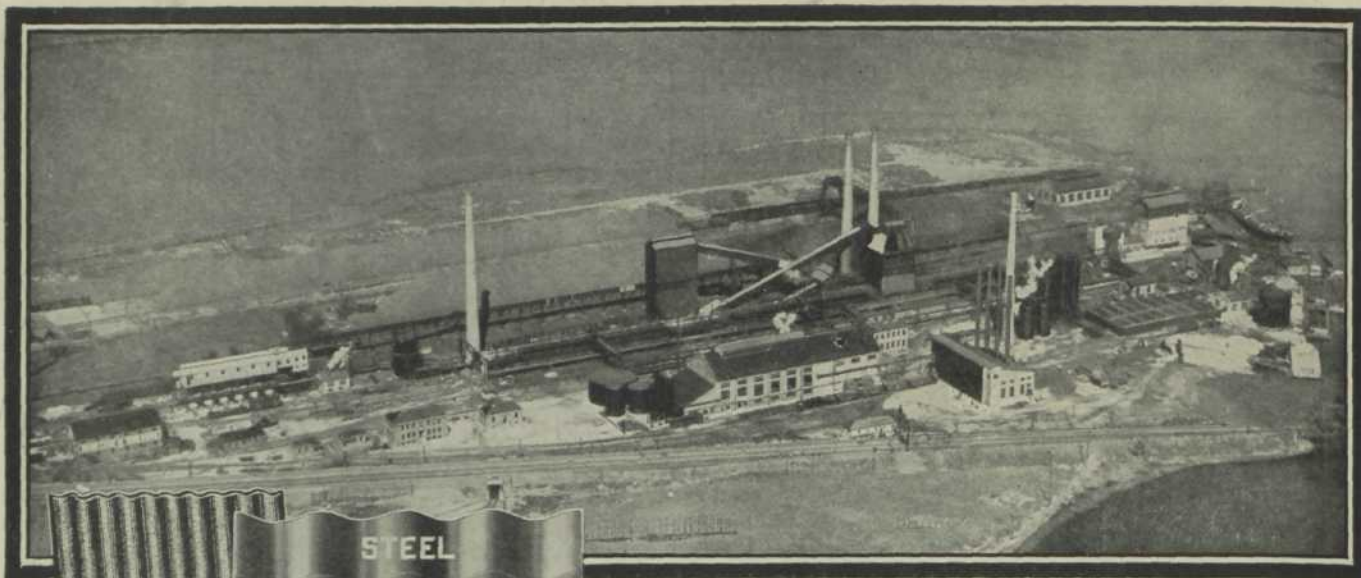
By Carl R. Gray

Complete Table of Contents on page seven



Published by the Chamber of Commerce of the United States

MORE THAN 100,000 CIRCULATION



The plant of the Seaboard By-Product Coke Company, illustrated above, (Koppers Co., Engineers) is one of the largest and most modern of its kind ever built. It supplies Newark and Jersey City with 30,000,000 cubic feet of coal gas daily. It also produces 3,100 tons of coke, 30,000 gallons of tar and 75,000 pounds of ammonium sulphate every day.

As the lower illustration shows, APM is a steel roofing and siding sheet completely encased in three protective coatings (1) Asphalt (2) Asbestos felt and (3) Waterproofing. It withstands years of exposure to the destructive action of fumes, gases, smoke, steam, condensation, salt air—all corrosive influences. It never requires painting. It eliminates the usual roofing repairs.

We shall be glad to send you a sample of the material itself and the new Robertson Catalogue which describes its uses and properties in detail.

Could Evidence Be Stronger?

Above you see an airplane view of the plant of the Seaboard By-Product Coke Co. at Jersey City, N. J. Here roofing materials are put to the "acid test" of endurance. They are constantly exposed to the severest corrosive influences—conditions which are intensified, in this case, by the location of the plant on tide water.

To combat these influences—so destructive to building materials—the Seaboard By-Product Coke Company used Robertson Process Asbestos Protected Metal (APM) as a roofing and siding material in 1916. Since then this concern has ordered APM 20 times for use in various parts of the plant.

Could there be any stronger proof of the ability of APM to withstand the severest conditions to which a roofing and siding material can be exposed?

H. H. ROBERTSON COMPANY, Pittsburgh, Pa.

Branches in all Principal Cities

For Canada: H. H. Robertson Company, Limited, Sarnia.

General Sales Agents for Canada and Newfoundland: B. & S. H. Thompson & Co., Ltd., Montreal and Principal Cities.

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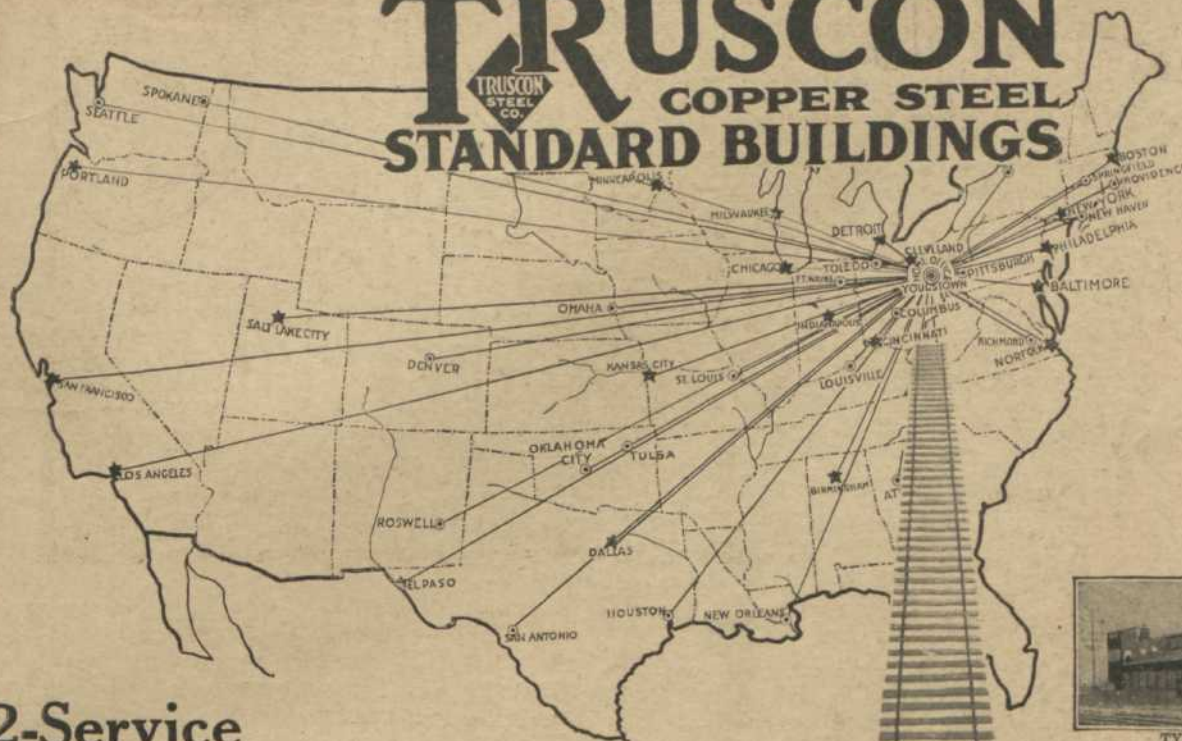
ASBESTOS PROTECTED METAL



TRADE MARK REG. U.S. PAT. OFF.

TRUSCON

TRUSCON STEEL CO.
COPPER STEEL
STANDARD BUILDINGS



A series of advertisements on better buildings for one- and two-story industrial uses—made to order from standard stock units—with resulting economy in cost and time of erection.

2-Service

In the April issue of this magazine we brought to your desk a view of the 50-acre plant of the Truscon Steel Company where every part of your standard building is made and stocked, ready for your order and shipping instructions. We showed you a list of our offices in all principal cities—where a letter or a 'phone call will bring our engineer to you for instant help on all your building problems.

If you are considering a new building and want maximum value for your money, read the following and you will see how simple a matter it is to provide a fireproof Truscon Standard Building to meet your requirements—a made-to-order building at the low cost of shop fabricated standardized units. And Truscon service sees the job through from beginning to end. Truscon Standard Buildings are permanent and durable. All exposed parts are built of

copper steel, the metal that resists corrosion. They are the most satisfactory and economical buildings made for all one, and many two-story industrial uses.

1—Return coupon, or write to us at Youngstown or to our nearest office. An experienced engineer will come to your office and help you with your problem. It will entail no obligation.

2—Our engineer will show you how you can get from standard stock units an economical fireproof building which will exactly fit your needs. He will be prepared to tell you the exact cost of your building, and the time of delivery. No guesswork, no uncertainty.

3—Your order to our engineer will start shipment on the specified date, routed direct to you. Your building will come complete in one shipment, all units ready for immediate assembly and erection. No waiting for material, no costly delays.

4—The erection will proceed speedily. We will do this erection for you, or will work with your contractor or construction engineer. We guarantee satisfaction in every particular. You can place full responsibility on Truscon from start to finish, and we will turn over the building to you on schedule time, ready for occupancy. No erection problems to worry you.

Act today before prices rise. Select the type of building you need from the six illustrations. Fill in and mail the coupon, or write to us for complete information.

TRUSCON STEEL COMPANY
YOUNGSTOWN, OHIO



TYPE 1 (Clear Span) with Lantern
Widths—8'-12'-16'-20'-24'-28'-32'-40'-48'-60'-66'



TYPE 2 (2 Bays)
Widths—40'-48'-60'-66'-69'



TYPE 3 (3 Bays) with Lantern
Widths—50'-60'-64'-68'-72'-76'-80'-84'-88'-90'-98'-100'-108'-116'



TYPE 4 (4 Bays)
Widths—80'-100'-112' (4 Bays @ 20'-25' or 28')



TYPE 2M (Monitor)
Widths—60'-64'-68'-72'-76'-80'-84'-88'-90'-96'-98'-100'-106'-108'-116'



SAWTOOTH TYPE (On Reinforced Concrete Base)
Widths—Any Multiple of 28'-0"

TRUSCON STEEL COMPANY
Youngstown, Ohio

Send me useful building book and suggestions on building to be used for

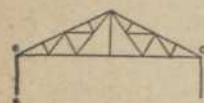
Type..... Length..... Width..... Height.....

Name.....

Address..... (N.B.—5)

STEFECO

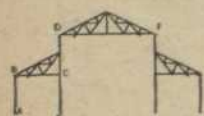
Buildings come in seven general types to suit every industrial need.



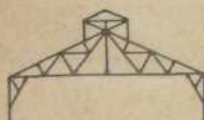
Clear Span



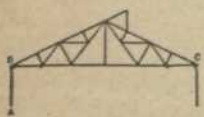
Low Crane



High Crane



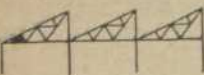
Monitor



Semi-Monitor



Valley



Sawtooth

Here's every type you could possibly get in specially designed buildings. You can save engineering costs and delays the Stefco way



Buy STEFCO and save the difference for working capital!

Here's fireproof, permanent, construction at half the cost of brick or concrete—and in a fraction of the time

THE wise executive today realizes that architecture won't earn dividends. He knows that 5,000 or 50,000 square feet of space means *just that*—other things being equal—and he wants that space for the smallest possible investment. STEFCO is his answer.

\$20,000 Worth of Factory for only \$8,500

Think what it means to build at these figures—to have that extra \$11,500 for working capital! Little wonder the demand for STEFCO Buildings is increasing with leaps and bounds when they offer such a saving, in fireproof, permanent, solid steel construction.

Thousands In Use—

Rendering a Super-Service by Keeping Plant Investment Down

For seven years the STEFCO idea has been tried in industry's crucible—and every year has seen it grow more popular—and now STEFCO Ready Built Steel Buildings are being used in every American industry for warehouses, foundries, machine shops and factories of all kinds.

No Matter What Business You Are in STEFCO Buildings Are Designed to Suit Your Needs

Seven types provide a range of sizes to suit any possible requirements—from 10 feet

wide to any limit of width and length desired.

All structural steel trusses provide for any overhead loads such as trolley distributing systems, line shafting, etc. We know of no industrial need that is not met by STEFCO standard ready-to-ship units.

90% Completed at Factory—Immediate Shipment

Now is the time to build for the greatest era of prosperity we have seen in a decade—and now is the time to build wisely—to get more facilities per dollar. Our service bureau is anxious to make suggestions without any obligation. Fill out the coupon today—or give it to your secretary—now! Get the facts—act!

Remember—"If one-story construction will meet your requirements STEFCO is your answer." Do it today.

Steel Fabricating Corporation
Michigan City, Indiana

FREE Information Coupon

Service Bureau, Steel Fabricating Corporation
Michigan City, Indiana

GENTLEMEN:—

I am interested in a _____ type of building—about _____ square feet of space, skylights _____ doors _____ windows _____. Please send me information with the understanding that it obligates me in no way.

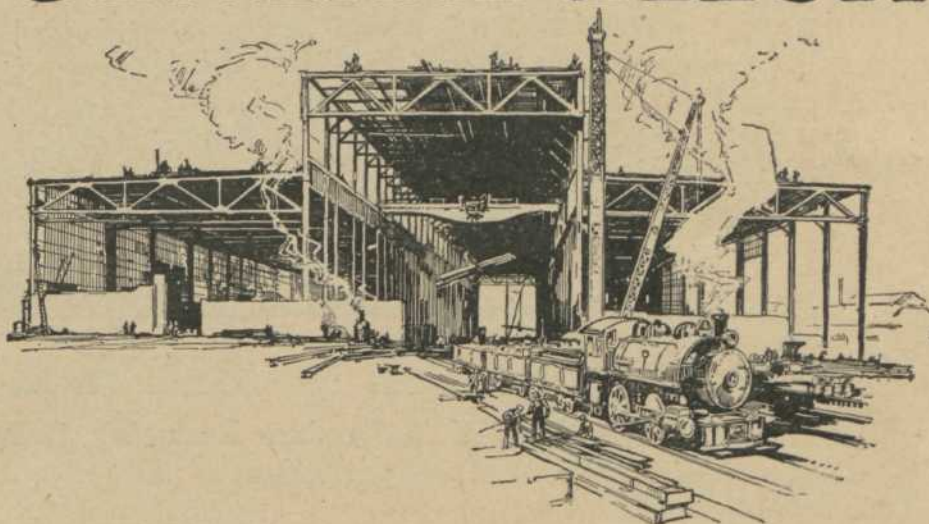
Name _____ Position _____

Firm Name _____

Address _____ City _____

STEFECO
CORRUATED FOR STRENGTH
Ready-Built
STEEL BUILDINGS

Another AUSTIN Building for GENERAL ELECTRIC



78 Buildings in 20 Years

Today five Austin operations are under way for The General Electric Company—one at the main plant in Schenectady, three at Pittsfield, and one at Erie. Seven contracts have been awarded The Austin Company by this great corporation during the past six months.

For twenty years The Austin Company has served The General Electric Company. From coast to coast in nine different states a total of seventy-eight plant buildings have been erected for this company in the following cities—Schenectady, N. Y.; Pittsfield and Lynn, Mass.; Erie, Penn.; Cleveland, Youngstown, Warren, Shelby, Fostoria, Ravenna, Conneaut and Niles, Ohio; Pawtucket, R. I.; Oakland, Calif.; Minneapolis, Minn.; Bloomfield, N. J., and St. Louis, Mo.

The structures erected, which include permanent buildings of every modern industrial type,

have met the exacting requirements of this company in every instance.

This is one of many examples of Austin country-wide yet localized building service. Most of the thirteen Austin Branch Organizations have been involved in these G-E operations. Through the New York Offices of The Austin Company the officials of The General Electric Company have had the advantage of localized service and direct contact with each building operation.

Austin can serve you in a similar capacity no matter what your building requirements may be. Austin engineers are equipped to handle your engineering problems alone or take complete responsibility for engineering, building and equipment. A conference with Austin Engineers involves no obligations. Phone, wire or write for the new Austin Book of Buildings.

THE AUSTIN COMPANY, *Engineers and Builders*, Cleveland

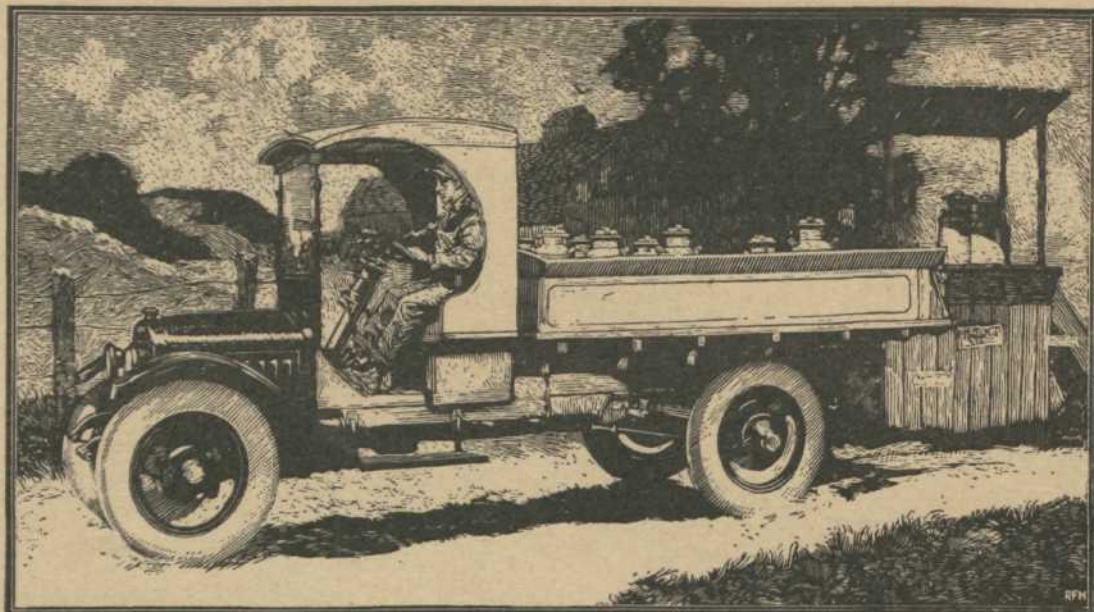
NEW YORK.....217 Broadway
CHICAGO.....1374 Cont'l and Com'l Bk. Bldg.
CLEVELAND.....16112 Euclid Avenue
DETROIT.....1948 Penobscot Building
PITTSBURGH.....Union Arcade Building
PHILADELPHIA.....1026 Bulletin Building
DALLAS.....627 Linz Building



ST. LOUIS.....1794 Arcade Building
SEATTLE.....1301 L. C. Smith Building
BIRMINGHAM.....412 Jefferson Bank Building
PORTLAND.....516 Porter Building
The Austin Company of California
LOS ANGELES.....702 Pacific Electric Bldg.
SAN FRANCISCO.....708 Santa Fe Bldg.

AUSTIN

ENGINEERING-BUILDING-EQUIPMENT



"GMC TRUCKS
ARE SEVEN
STEPS AHEAD"

Better One-Ton Motor Truck Haulage

GMC Model K-16 Provides Enduring, Reliable and Economical Transportation of 2000 Pound Loads

Combining the sturdy strength of real motor truck construction with speed, convenience and flexibility, the Model K-16, one-ton GMC, has marked another milestone in motor truck transportation.

In every kind of business over a long period, this one-ton truck has established conclusively its ability to perform faithfully under the severest conditions.

The Model K-16 is built entirely of motor truck units. Not a passenger car part is used in its construction. At the same time it is provided with comforts for operation and convenience for maintenance that heretofore have been found only in high grade passenger cars.

Model K-16 is complete in every detail—it embodies the now famous exclusive features of GMC truck engine and chassis design. Its equipment includes such refinements as electric starting and lighting system, separate ignition, complete instrument board, pressure lubrication and many others.

In dependability, in economy of operation and maintenance, in accessibility and in its ability to produce more hours of uninterrupted haulage, this one-ton GMC offers a new and outstanding value in motor truck transportation.

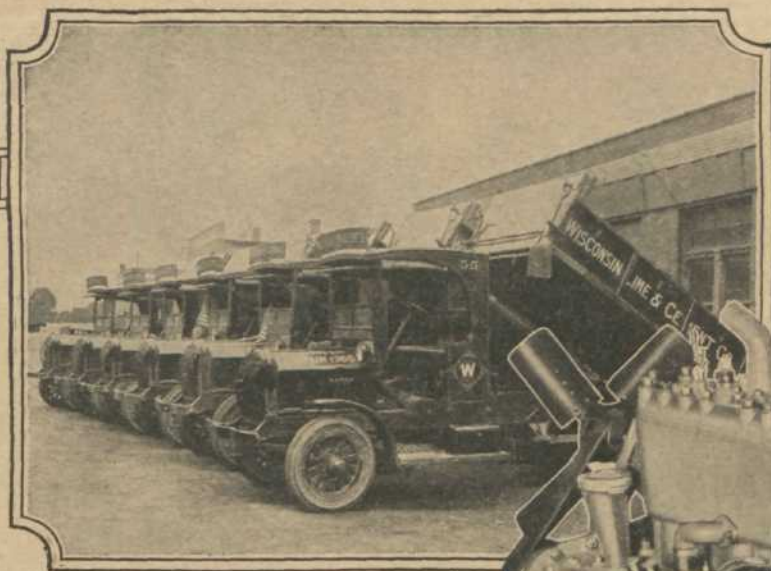
Ask for new Model K-16 booklet showing body styles and uses.

GENERAL MOTORS TRUCK COMPANY—Pontiac, Michigan
Division of General Motors Corporation

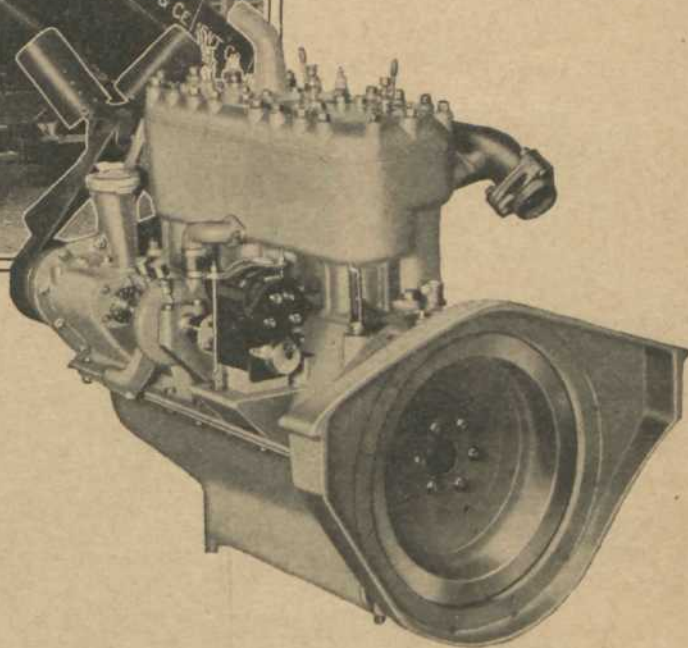
GMC Truck Chassis list at the Factory as Follows: 1-Ton, \$1295; 2-Ton, \$2375; 3½-Ton, \$3600; 5-Ton \$3950. Tax to be added.

General Motors Trucks





*Wisconsin Motors in
Old Reliable Trucks*



Offices in New York
Cleveland, Chicago
Los Angeles, Seattle

Organized Service

A new motor for a hurry-up job—a part to keep the wheels turning.

Then's when quick action saves you dollars—and there's where Wisconsin Organized service counts.

It is our unalterable policy to always keep our production schedules in balance with our orders—our service department stocked with the part you need.

Your emergency order finds us alert—and the fastest transportation does the rest.

Wisconsin Motors cover the truck, tractor, passenger car, marine and industrial field.

They are built for economy and endurance of the best material by skilled motor builders.

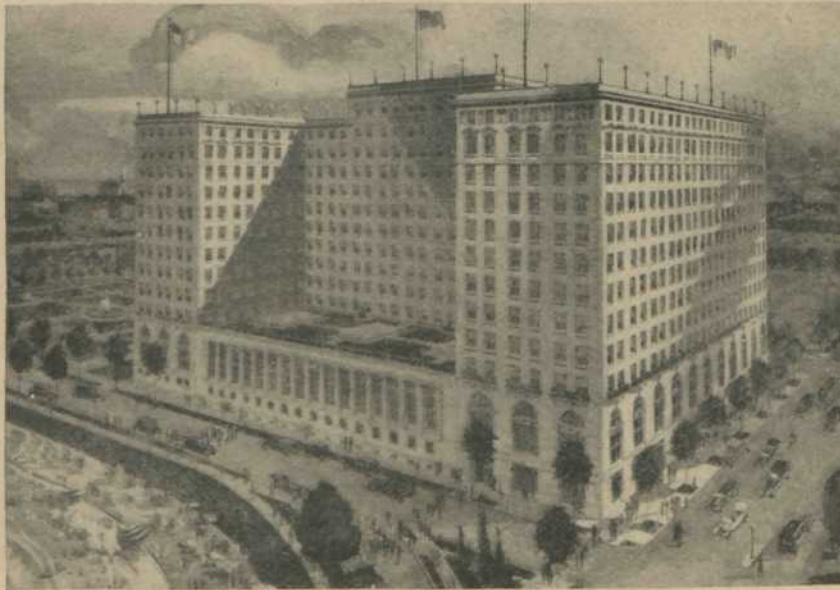
They cost no more. They deserve your consideration.

WISCONSIN MOTOR MFG. CO.
MILWAUKEE WISCONSIN

Wisconsin
CONSISTENT

The DRAKE

Lake Shore Drive and
Upper Michigan Avenue CHICAGO



Chicago's Ideal Convention Hotel

Magnificently located on the quiet shore of Lake Michigan, THE DRAKE offers unrivaled advantages for associational gatherings of great or small magnitude. Here are offered facilities never heretofore available in Chicago, particularly from the standpoint of assembling and controlling a maximum attendance. Meetings at THE DRAKE are away from the noise and confusion of Chicago's loop district, yet every guest is within a few minutes' walk of the city's commercial and theatrical center.

In planning for your next convention consider Chicago and THE DRAKE. The business and social success of any convention will be assured. Some evidence of this is reflected in the following letter:

THE DRAKE,
Chicago, Illinois.
Gentlemen:

Again it is my very pleasant duty on behalf of the Chicago Dental Society to express to you our appreciation of your assistance in making our recent convention such a splendid success. This yearly meeting, with its attendance of over 6,000, has grown to be one of the most important dental meetings of the country and THE DRAKE, with its wonderful arrangement of large and numerous meeting rooms, has done much to make this success possible. Each department of your wonderful hotel was on its toes at all times, taking care of the multitude of details which a meeting like this one calls for.

We wish to thank your Assistant Managers for their thoughtful and able suggestions and their wonderful tact in some trying situations.

Many of our members and guests from out of town were late in making room reservations or had made none at all. Yet your room clerks handled each case with the utmost consideration and tact. The result is each member is pleased with THE DRAKE Service, which in reality is SUPERLATIVE Service.

Sincerely yours,

CHICAGO DENTAL SOCIETY

John H. Cadmus, Chairman Exhibit Committee.

This same SUPERLATIVE service will be accorded your organization when it meets at THE DRAKE. Write for further information.

Some Representative National Conventions Recently Held at THE DRAKE

American Paper and Pulp Association.
National Confectioners' Association.
American Institute of Homeopathy.
Institute of American Meat Packers.
American Gear Manufacturers' Association.
American Institute of Accountants.
National Association of Retail Coal Dealers.
National Association of Chiropodists.
Delta Kappa Epsilon Fraternity.
Phi Delta Epsilon Fraternity.

Also the Annual meetings of the Chicago, Princeton, Harvard, Yale and Cornell Clubs.

THE DRAKE is under THE BLACKSTONE management, the world's standard of hotel service

Through the Editors' Spectacles

A MANUFACTURER from the middle west dropped in last week. "What of the business situation?" I asked him. "Will it last? Are we in danger of inflation?"

"I once had a Maltese kitten," he replied, "which cast a greedy eye on my canary bird. One day I caught him half-way up the portieres on his way to the cage. Heating a spoon over a gas flame, and laying it in the bottom of the cage, I assisted the kitten up to the cage, then touched the hot spoon to his mouth."

"He hasn't gotten within 50 feet of that cage since."

"A good customer of ours came in last month and ordered \$175,000 worth of parts. I tried to persuade him to cut his commitments with us in half, wait developments, and come again. When he became indignant, I took him out in the plant and showed him material I had carried since 1920 and which I had bought on just such fine orders as his. He caught the point."

"You see, I haven't forgotten that hot spoon on the nose in 1920. I may in two or three years, but just now the experience is very realistic."

Maybe our safety lies in the good memories of our captains of industry, as well as in all those other phenomena which Mr. Welton so scientifically sets forth in this number.

TIME was when talk of insurance was talk in figures, when a study of their services savored of a course in mathematics. Of late there has been an increased effort to sound a human note in the cold detachment of scientific data. One company has met the problem by pointing out to a policyholder under workmen's compensation coverage that in

the four years which we have recorded of accident insurance at your plant, we can say that in the second year you saved to your workmen 365 days of suffering, in the third year over the first there was a saving of 545 days of suffering, and in the fourth year over the first, 561 days, altogether 1,471 days.

There you have it—accident prevention translated into actual saving of days of suffering. And it also follows that any reduction of days of suffering from accidents carries with it a saving of money for the policyholder. Facts and figures are not cold when the warmth of fellow feeling is breathed into them.

MORE than 100 readers wrote in commenting on "The High Cost of Government." Most of them see grave danger; some point out, with Charles F. Scott, of Iola, Kansas, that

Government costs a lot now because Government does a lot. We have raised our Government standards from a horse and buggy plane to that of a \$2,500 automobile.

Likewise, former Secretary of Commerce Redfield, says,

Mr. Helm's article shows only one side of the ledger. He does not tell us what we get for it.

M. C. Rorty, assistant vice-president, American Telephone & Telegraph Co., thinks that no criticism of present taxation will be on a sound basis unless it clearly differentiates in

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Vol. 11

THE NATION'S BUSINESS

No. 5

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

federal expenditures, between those directly or indirectly related to the recent and previous wars, and the non-military departmental expenditures. He adds,

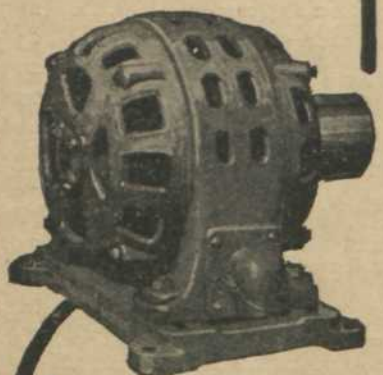
I do not believe that the ordinary departmental expenditures have increased out of proportion to the general rise in price and wage levels.

But President A. E. Adams, of the First

National Bank of Youngstown, furnishes the text for a score of others when he says (in part):

There is little danger that our government will bankrupt us; but there is, in my opinion, grave danger that it may demoralize us. There is little danger that it will impoverish us; but, unless we call a halt on government aid and class legislation and the bureaucratic

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improvement
over motors with
ordinary bearings.
Their notably
advanced con-
struction results
in reduced cur-
rent consumption
and lowered pro-
duction costs

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of

ball
bearing
Motors

growths that go with them, there is grave danger that it will make of us a nation of mollycoddles.

An engineer, Frank D. Chase, of Chicago, puts the same thought this way:

Our Government is unquestionably getting extremely complex. I consider this a much more serious fault than its inefficiency.

Other meaty sentences culled from our correspondence are:

George E. Roberts, vice-president, National City Bank: The real danger is in the constant pressure for the enlargement of Government functions, thus increasing the burden of unproductive expenditures.

Philip S. Tuley, president, Louisville Cotton Mills: There can be no more timely, apt and important topic brought to the attention of our citizenship.

Jesse Isidor Straus, president, R. H. Macy & Co., Inc.: Sooner or later the American people will begin to realize that taxes, direct or indirect, are contributed to by everyone.

Roy D. Chapin, president, Hudson Motor Car Co., Detroit: Part of the trouble (cutting down expenditures) is that non-property-owning voters will encourage every public expenditure, thinking it costs them nothing.

A. Lincoln Filene: I may be a good deal of a crank on education, but I think the only basis of success for any government, whether it is autocratic or democratic, is an intelligent citizenry, so that whatever its form, its citizens understand it and can express themselves through such understanding. What I see of menace in this country is not so much the danger to our democracy because of the rising costs, but a real danger in our lack of realization as to how much the Government's interest is involved in having its entire citizenry as intelligent as it can possibly be made.

H. C. Atkins, president, E. C. Atkins & Co., Indianapolis: Practically every business man I have talked to in the last two years is seriously disturbed by the conditions (high cost of government) that are confronting us. I don't think that your publication can serve a better purpose than to sound the alarm day after day to the business men of the nation.

No more fitting conclusion could be added to the discussion than that which comes from the Pacific Coast. Henry S. McKee, vice-president, Merchants National Bank, Los Angeles, concludes a mighty fine exposition of the situation, as he sees it, with the comment that we should not lose our sense of proportion. And he quotes,

A monarchy is like a merchantman. It rides the tides and storms in comfort and apparent security, but eventually it strikes a reef and sinks. A democracy, on the other hand, is a great deal like a raft. It never will sink, but damn it, your feet are always in the water.

AFTER this was written and in type, along comes a letter from former Governor Allen of Kansas, written on the *Aquitania* and mailed from Southampton. He says,

I suppose there is a real menace to our institutions in the rising cost of government, but in my judgment the menace comes not so much from the cost as from the indifference of the public which refuses to inform itself as to the justice of expenditures—and rises in ignorant wrath.

Of course, the public has a right to hold officials rigidly responsible for their administration, but unfortunately the officials cannot require of the public an intelligent appraisal of administrative operations. The institutions of government are not in danger because we can always secure relief by changing the personnel. Undoubtedly the extravagancies of the past few years will lead to continued reductions. The sense of responsibility to the pub-

lic which American Government now has and will continue to have will keep the institution from ruin—though it may not avoid extravagancies.

THE METRIC system has earnest proponents who labor actively for its adoption. Equally zealous are the opponents who hold that the metric system does not commend itself sufficiently to justify its adoption by compulsory legislation. The units of the metric system do not accord in name or magnitude with those of the English system. The force of custom is strong and persistent. Men and institutions become set in their ways. To tell them that "a rose by any other name would smell as sweet" only rouses their dander. An inch may become 2.54 centimeters with no loss visible to the naked eye, but the embattled centimeters win slow and grudging approval in these states. Mr. W. R. Ingalls, president of the American Institute of Weights and Measures, is an ardent champion of the English system. Of weights and measures in general he says:

... They are intimately interwoven into the business life, the home life and the intellectual life of every human being, man, woman, and child. None can do without them.

Quite so, sir. Some concepts are deeply rooted in our minds and do not easily give place to newer notions. Should the old order make way for the new, would not the soul and substance vanish from cherished legacies of thought and deed?

Antonio facing the loss of .45 of a kilogram of flesh leaves us cold. Robin Hood is a colorless figure matching his archery against King John's best yeomen with arrows 91.44 centimeters long. But see the change when he is really in character! Might and mettle go with the arm that could speed shafts a full English clothyard in length.

Perhaps the metric missionaries would not disturb old bones. Is there not a measure of present satisfaction for them in the knowledge that life was sung by bard, minstrel, gleeman, and jongleur in lines as metrical by one standard as by another?

A GOOD friend came in to tell us that the article on "Law Makers and Your Insurance," in the March number, was a good job but might have gone even further. To prove his point he called our attention to a speech of David M. Lea, reproduced in the *Congressional Record* last March, in which Mr. Lea said:

People do not realize that insurance is a part of the cost of everything that is used—the clothing they wear, the food they eat, and the houses they live in.

And yet insurance is rapidly replacing the railroads as a legislative toy. The drift is unmistakable, the threat of danger precise and certain. In 1916 there were 720 bills relating to insurance introduced in state legislatures. In 1921 there were 1,429 such bills presented, a gain in the five-year interval of almost 100 per cent. While some of these proposed laws were constructive and necessary measures, the great bulk of them were of a radical, restrictive, or harassing nature with a distinctly socialistic background. The anxiety of our legislative medicine men, who seek to cure all ills by a dose of laws, should occasion little wonder.

As a business, insurance ranks with the foremost enterprises of the age, and, therefore, offers a fruitful field for political terrorism and plunder. It would be as difficult to think of commerce without insurance as it would be to think of transportation without railroads,

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A DISTURBED New England legislature, outraged by the conduct of one of its members, adopted a resolution that he had permitted himself to be debauched by beverages brought into the Capitol by certain insidious and malignant forces for the very purpose

An age which had more drinks and fewer words would have said "they got him drunk." Will none of those Simplification and Standardization Committees help us to simplify language?

"I NOTICE in 'Through the Editor's Spectacles' the snap-shot about the interrelation of industries," writes E. D. Whiteside, of Columbus, Kansas. "I have run across two or three recently. One would not see, for example, how the discovery of oil along the Neosho River in Kansas would make a market for mussel shells in Alabama.

"A Poughkeepsie, New York concern operates a pearl button factory at Oswego, Kansas, on the shell supply from the Neosho. Then the oil from wells higher up the river got into the water and colored the shells so they are not fit for the factory's uses. Now the factory gets its supply carloads of shells from Alabama, cuts the blanks and ships them to Poughkeepsie for finishing."

We confess that nothing interests us more than this growing industrial interrelation. Would that knowledge of it were growing as fast! Geo. E. Roberts discusses clearly its many aspects in this number. Don't miss reading it!

WHEN, in the January issue, we let John W. Weeks, Secretary of War, discuss "Enlisting Business in Peace," we had no idea that we were encouraging militarism; but the National Council for Prevention of War is at us and after us. In its bulletin of January 20, it regrets that "we have not room for this informing article in full" and cries aloud, "Read the article."

After quoting a paragraph, it says: "What is 'militarism' anyway? When can a nation be called 'militarized'? If the organization of the entire resources of a nation for war does not constitute 'militarization,' what is necessary in addition?"

DOES LOYALTY pay? When the shopmen's strike was declared, hundreds of men refused to lay down their tools and remained at their posts. We read that the Baltimore & Ohio Railroad distributed \$500,000 among its faithful shopmen as a Christmas bonus; and that the Louisville & Nashville Railroad rewarded with checks for \$150 to \$350 approximately 1,000 men on the system for loyalty during the strike. That was a recognition by a material standard. But back of the measure in money is the proud confidence of the roads in the men who kept the wheels turning. They held fast to duty. Men of that mould have no ear for

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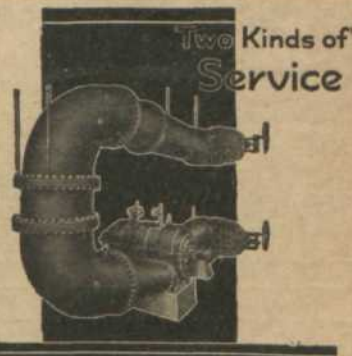
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THERE should be one magazine whose advertising pages constitute practically a directory of the best industrial announcements in the country.

Look over
the pages of **THE
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with this
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demagogues. The extra money may not stay long in hand; the trust of the employer is always in the keeping of the worker.

MEN WANTED

Does not the spartan simplicity of that call tell the story of the world's work?

"God give us men. The time demands

* * *

Men who can stand before a demagogue

And damn his treacherous flatteries without winking;

Tall men, sun-crowned, who live above the fog

In public duty and in private thinking."

A FACETIOUS reader in Rochester sends us this one:

"Father," he asked, "freight is goods that are sent by water or land, isn't it?"

"That's right, my son."

"Well, then, why is it that the freight that goes by ship is called a cargo, and when it goes by car it is called a shipment?"

Respectfully referred to the Committee on Agenda of the Transportation Conference.

AN ARTIST'S life isn't all beer and skittles. (As a matter of fact there isn't any more beer, and if I had any skittles, I'd be in doubt whether to eat 'em, wear 'em or play 'em.) But to resume, an artist's lot is not an easy one. Charles Dunn had scarcely completed the masterpiece of modern geography on page 46 of the April number, showing how Europe was walled off by tariffs, which walls in turn were being mounted by treaties, when our expert on European tariffs, Mr. Henry Chalmers, of the Department of Commerce, rushed in with a hoarse cry of "Halt!" and said:

"Since the drawing, Ireland, which to the artist was apparently the only fair and free area on the map, may still be fair but is no longer free. It has adopted a tariff and all the trimmings, even against England itself."

AS FINE a collection of contributors this month as was ever gathered under any publication tent. Some of them are already well known to our readers: George E. Roberts, D. C. S. (Doctor of Common Sense); James B. Morrow, observer, expresser, philosopher; Herbert Corey, at home and abroad an enthusiastic literary explorer; Fred Simpich, consul service and entertaining writer of fact and fiction; Arthur D. Welton, one-time A. B. A. official, who now watches business from the biggest of Chicago banks; Carl Gray, two-fisted railway president who sees transportation as a whole; Fred Kelly, of Sparselawn, who watches business from the side-lines; Agnes C. Laut, who likes business, likes to write and can write; and Claude Watts, a shrewd and trained observer of Washington.

LISTENING to the siren songs of fake stock promoters last year cost the spell-bound public more than \$600,000,000, says the Executive Board of the Associated Advertising Clubs of the World. What lordly loot!—\$600,000,000 bagged in a single twelfth month, and once Jesse James was thought a first-class brigand!

The advertising men want something done about the present banditry. They call upon Congress and upon all other legislative bodies to make appropriations adequate to meet "these growing crimes against the people," and urge all newspapers and other

periodicals "to open their columns to a full discussion of this situation, particularly toward warning the public, and commending public officials who do their full duty toward the suppression of such operations."

There's a thought! A well-aimed barrage of printer's ink is quite likely to rout the swindlers. It's just a matter of getting their range—and seeing that all the non-combatants are cleared out of their camps before the guns let go.

THE MOVIES have done it again. A trade paper of that enterprising industry announces that someone "presents" Einstein's Theory of Relativity and incidentally that the pictures answer these questions:

How High is Up
How Far Forward is Back?
How Fast is Speed?
How Far East is West?

Which recalls the experience of George Mallon, of the Bankers' Trust Company, with the barber. The barber usually kept his conversation to the safer fields of baseball and racing, but one day he said:

"Mr. Mallon, who's this Jewish feller they're all making so much fuss about?"

"Oh, you mean Einstein?"

"Yeah, that's the one. I wish you'd tell me what it's all about."

Mr. Mallon couldn't—or didn't. But the movies can and do.

What a school our children's children will go to when moving pictures of foreign lands interpret geography, and pageants of history pass before the child's eyes. Wouldn't a child be as interested in a motion picture of how wheat is grown, harvested, milled and exported as he is now in "Satan Sows the Seed," in six scandalous reels? He ought to be almost as much interested as in Charlie Chaplin, but there we hesitate.

SOME ONE who looked at the names of five of the principal officials of Poland said the ski is the limit in that republic.

Here is the list:

President Stanislas Wojciechowski
Prime Minister Ladislas Sikorski
Minister of Foreign Affairs
Aleksander Skrzynski
Minister of Finance K. Jastrzebski
Minister to U. S. Ladislas Wroblewski

IF EGGS and broilers are high this spring, blame the coal strike. Since we took away from the mother hen her natural functions, we are dependent upon coal, and it must be of a particular kind.

Only the other day **THE NATION'S BUSINESS** got a plea from out in Indiana, begging us to tell them to what official they should apply for a carload of "chestnut anthracite," for, said the letter:

"The country surrounding this town is engaged extensively in poultry raising and egg production. The poultry raisers use our coal brooders, and if they cannot get hard coal, it will entail an enormous loss this spring."

We live and learn. Never before did we know that chickens could be raised only on hard coal.

WE HAVE from time to time patted ourselves on the back and boasted a little that **THE NATION'S BUSINESS**, although a monthly magazine, did manage to be timely and to keep well up with current activities; but we never hoped to beat a daily newspaper six months. In our alert and ably-edited contemporary, *The World*

of New York, there appeared on March 19 an article—and on page one—which is headed

WEEK'S RIDE ON \$1 NEW TROLLEY IDEA

Then it says that "something new in transportation has been worked out at Peekskill, N. Y.," and describes the dollar-a-week pass.

Six months ago, in October, 1922, to be exact, this exponent of business progress printed an article entitled "You Ride Here for \$1 a Week," in which we explained how the "ride-all-you-want-for-a-dollar" plan was spreading throughout the country.

TWO New York financial houses recently celebrated the fiftieth anniversaries of the opening of their doors for business. Not many houses have held on so long in Wall Street. Inquiry has disclosed that there are now only sixteen active members and firms connected with the Stock Exchange who have been in business fifty years or more; forty-one firms have been associated with the exchange forty years or more.

Why we had thought that the gilded street was overrun with wolfish old gentlemen, encrusted with a hoary tradition of dexterity in plying shears on lambs and coupons alike. Forty years! Just a little more than half the allotted span of life. Why they're just boys, callow fledglings at the game.

UNCLE JOE CANNON, a respected friend of this magazine, who left public life and Washington last month, has suffered with certain captains of industry in having pleasant bits of fiction attributed to his character.

Uncle Joe has the reputation of a terribly profane man, and a hard-boiled one. As a matter of fact I have never heard him say anything worse than "hell" or "damn," remarkable self-restraint, I submit, for a man in his trying position.

As for his hard-boiled qualities—but let me repeat a story he once told:

Cooper, of Ohio, asked me to go out to his home town, Youngstown, the other day and make a Lincoln speech. I can't do it and I'm damn sorry, for I'd rather go to Youngstown than anywhere I know.

I married my wife in Youngstown. Seems like yesterday when we drove over from Canfield and were married by the justice of the peace. I was just starting out to practice law in Illinois, and besides our fare home, I hadn't but a hundred dollars to my name.

I gave my little pile to my new wife and told her to go to the nearest store and buy what we actually needed to set up housekeeping, while I stepped round the corner to the court house.

When I started to join her, I saw her running to meet me—in great distress. She had spent \$6 over the hundred I had given her and was coming for me to make it all right. Then and there, I was up against my first marital responsibility. I wanted my wife to have the goods she had selected, but I couldn't have raised another dollar to save my life.

I knew I couldn't afford to shatter her illusions so early in our married life, however, so I just took the young clerk aside and told him how it was. He believed in me and shipped us the goods.

Do you know who that clerk was? It was Marshall Field.

And Uncle Joe walked off with a mist in his eyes, while I pondered over "fates' remote decrees" that turned an accommodating dry-goods clerk into a captain of finance, and a desperately impecunious, but thrifty, bridegroom into a "watchdog of the Treasury."

M.T.



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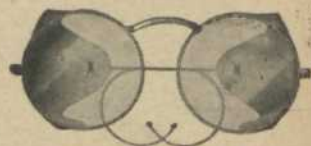
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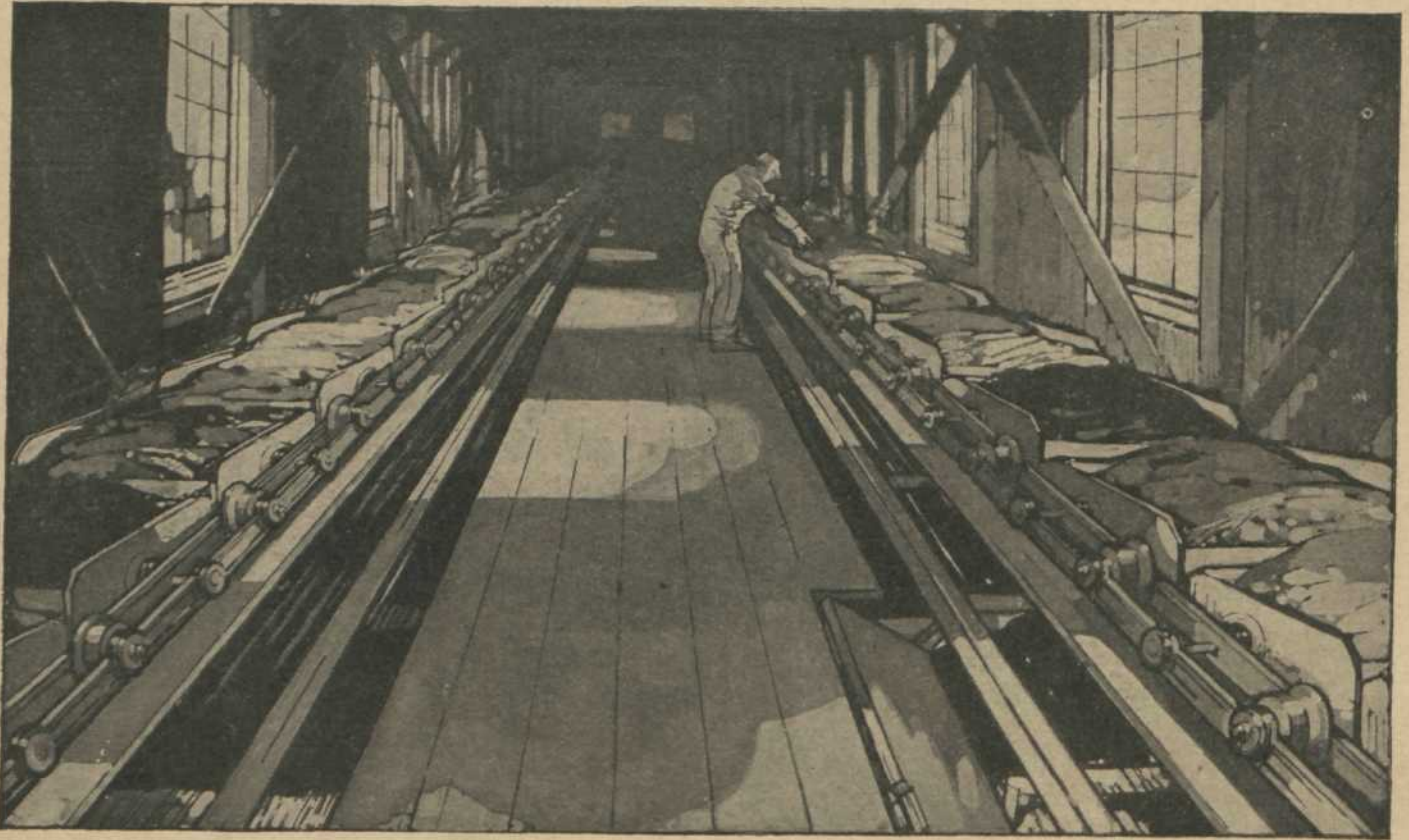
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Brownhoist chain conveyors are built for hard work and for long years of continuous service. The wide experience of Brownhoist engineers has helped reduce handling costs for many plants. This same service is available to you on any type of handling problem.

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M A T E R I A L H A N D L I N G E Q U I P M E N T



Goading the Weary Taxpayer

By HERBERT COREY

BECAUSE this is to be a story about the Income Tax Bureau, written in the hope that tears may spring to its bureaucratic eyes, I shall begin by the apparently unrelated declaration that Rhinelander Waldo was the best commissioner of police New York City ever had. There is hardly parking space between Long Island and the Palisades for those who do not agree with me. Yet my conviction is unshakable. Here is the reason:

One night, shortly after Mr. Waldo had been made commissioner of police, he took me out for a ride through his new kingdom. We were as incognito as Haroun Al Raschid. Few of the coppers had ever seen Waldo and none of them ever did see me. About midnight we walked into the station which purveys law to perhaps the least polite section of Brooklyn. The room was empty, save for a large prognathous, shirt-sleeved sergeant who was reading a paper under the lamp at the long, high desk. Waldo stood silent. After a time the sergeant looked down upon us.

"What," he asked savagely, "do you two wall-eyed pike want in here?"

Waldo said nothing.

"Get," said the sergeant, raising his paper, "to hell out."

Waldo said nothing. The sergeant dropped the paper.

"Did you hear me?" he yelled, leaning over the desk, so that we saw that around the rim of his baldness ran an aureole of red hair. "You lunkheads, you sausages, you—"

Waldo said nothing. A doubt appeared on the sergeant's face. Then a horrified conviction. He shuffled into his coat and fawned hurriedly around the end of the desk.

"Gee!" said he. "Mister Commissioner, I didn't know you at first. I only seen your picture in the paper—"

"You will be transferred to Staten Island in the morning," said Waldo.

"But, Mister Commissioner," said the sergeant, "gee—I thought you was just a citizen."

I may have had other reasons for thinking Waldo the best police commissioner, but that one is enough. Most of us have had our painful experiences with the man in office. I shall never persuade myself that the man who crosses his knees in a court room is

"THE Mouse-Trap Maker and the Income Tax" is the title of a pamphlet which bears a date of 1799. Any indignant taxpayer subject to the Revenue Act of 1921 would find it surprisingly familiar reading. It dwells upon the ways of officials who enforce income taxes. "Merciless mercenaries" is one of its milder epithets for government employees who "distress the feelings of the indigent" and arrogantly display the "importance of a jack in office." Strong language was the order of the day, a century and a quarter ago.

The pamphlet and its date suggest that tribulations with income taxes are perennial. They also bring out that, in England, the income tax has long survived both abuse by bureaucratic officials and the hard feelings of taxpayers. Perhaps, too, this tax and its administration have in due course of time become less harsh; for we have today nothing to compare with the violent pamphleteering which accompanied the first years of the British income tax, at the end of the eighteenth century, when a famous caricature represented the tax gatherer, with angelic expression, addressing a raging John Bull with the words:

"Cease, rude Boreas, blustering railer;
"Trust thy fortune's care to me."

In fact, the author of the pamphlet thought the world—including the income tax and its attendant officials—would grow better. By the year of grace 2,000, he estimated, the business of collecting and paying income taxes would be accomplished with beautiful amity prevailing on all hands. It was with a purpose of showing to a perfectly satisfied taxpayer of the year 2,000 the horrors of 1799 that the author wrote his pamphlet.

It is still too early, by seventy-seven years, to know whether or not the author was overly optimistic. The accompanying article contains some intimation of the progress to be made in the interval.—THE EDITOR.

an enemy to the public weal or that the judge who threatens to fine him if he doesn't uncross is anything but a cheap bully. A congressman who from the shelter of his position sneers at a citizen who gives unwelcome testimony before the congressman's committee rings a good deal like tin. Those employes of the Income Tax Bureau who do not play fair with the taxpayers or are discourteous and shirty should be kicked out.

"We think so, too," say the officials of the Income Tax Bureau.

What I am about to say is not to be taken as a blanket indictment of the Bureau. But I assert that even one failure in courtesy and consideration on the part of any employe of the Government toward a citizen and taxpayer is one too many. Perhaps we are dumb, we citizens. Maybe we cannot at first sight unravel the intricacies of a law that even learned judges disagree upon. That is no excuse for a man of the I. T. B. act-

ing as though he were Herr Brauseister of Oberhofbrau and we were Hans Horsefoot. Here is a case in point:

Not long ago a western man was summoned to Washington to tell why. The western man had been a member of Congress. He had been mayor of a city of more than 400,000 people. He had been a judge. It may be assumed that he was honest. Perhaps he knew something of the law, having helped make it and administer it and expound it. In Washington he was haled before a young man of apparently twenty-three or four years. The young man may have been a very brilliant exponent of the law, but he was not courteous. He bawled at the elder man.

"Don't talk to me that way," said the boy. "Don't try to tell me what the law says. I'm telling you. I know."

The elder man left the offices in a state of high fever. He had not, he said, been so grossly ill-treated in any previous experience with our Government. I told this story to an official of the Income Tax Bureau:

"If you will present that case," said he, "properly substantiated, that clerk will be punished at once."

I haven't a bit of doubt of it, but it is not a part of my job to hunt down clerks. My hope is to make it clear to the Income Tax Bureau that on its own account it should root out clerks like that—and for this reason.

Most of us, I think, approve of the Income Tax Law, in principle. Unpleasant as it always is to pay taxes, we are in the hole and must pay. The income tax is the most practical method of spreading the tax burden equally. We would every one of us be injured if, by reason of arrogance on the part of employes or by a failure on the part of the Bureau to play fair even to the verge of generosity, the income tax should fall into especial disfavor with the voters.

Let me give another illustration of clerical presumption:

The Washington representative of an establishment in an eastern city included in his income tax return, made to the collector in his home town, a deduction of \$50 for luxury taxes paid. He received a peremptory summons to appear before Auditor X and submit to an auditing of his return. On the day set he rode several hours on a train and appeared before the auditor at the designated

hour. Four other taxpayers were in the office for the same purpose. The five roosted on the office bench like crows on a fence for two hours while the auditor drilled some green clerks in their duties. At last he turned to the taxpayers.

"I'll take you first," he said to the man from Washington. "What do you mean by this deduction of fifty dollars for luxury taxes?"

"I mean that I've paid fifty dollars in luxury taxes," said he, a rosy flush rising to his cheekbones and staying there. "And I've sworn to it. What about it?"

"Oh," said the auditor. "In that case it's all right. That's all."

The Washington man had been called on to waste a day and spend a considerable sum in railroad fare and hotel expenses for absolutely no reason. He and his four companions had been given a taste of the new Prussianism. He left the presence furious at the asininity of the procedure, and it is likely that a residuum of dislike for the income tax law itself remained in his mind. It is perfectly true that he should not blame the law for the jackassery of an official. But, being human, he probably does. I told that story to an official of the Income Tax Bureau.

"The man should be fired," he said without a moment's hesitation, and would be fired if the facts were laid before those in authority.

So We Bend the Knee

I BELIEVE that statement. Yet the fact is that very few clerks have been removed during the past year. Whenever it is shown that an employee has attempted to trade upon his position or has sought to make a personal profit or has told secrets or made political use of his place, punishment has followed promptly. Yet everywhere one hears stories of similarly unpleasant experiences. Nor does the tenor of a few of the official communications of the bureau encourage one to think that a too emphatic emphasis is laid upon the desirability of courtesy in dealing with the Government's customers. The Government, of course, is in a strong position as compared with firms engaged in business. Its customers cannot get away.

Perhaps I have placed undue stress on the excellence of a gentle manner in Government clerks. Yet I am not so sure. A taxpayer, unfortunately, cannot roar back at the Government as he can at the keeper of the garage. He is at a disadvantage. His case can be postponed or carried higher by an ill-conditioned official, whether the Government's contention has merit or not. Most of us, perhaps, bend the pregnant hinges of the knee in consequence. However, this is by no means the most serious fault to be found with the I. T. B. A positively shocking indifference to the reputation, the rights, the feelings of the individual taxpayer is sometimes disclosed. Let me tell you a story:

In a large city in the middle west the resident collector received an anonymous letter attacking a certain man. Usually, anonymous letters are disregarded, but this one was too definite in its charges. The victim had reported a small income, but when a transcript was taken of his bank account it was seen that his little soft drink saloon managed to turn over more than \$300,000 in the course of the year. One might imagine that the investigators sent from Washington to make an inquiry would have asked a few questions. On the contrary, they went before the grand jury with the facts in their possession and the soft drink saloonist was indicted.

"Why didn't you ask me?" said he to the collector. "I'll tell you how come."

The explanation was easy and convincing. Railroad men are his best customers and on payday they were in the habit of going to Gus's Place and cashing their paychecks. Each man, of course, bought a bottle of pop out of the proceeds. A good part of the business was obtained in that way—a way honored by time in every saloon, soft or hard, near every railroad yard in the country. The indictment was promptly quashed, but it will not be forgotten. As long as the soft drink man lives, his friends and enemies will remember that he was once indicted on a charge of attempting to defraud the Government.

Why did not these investigators ask him about that inflated bank account before asking his indictment? The Income Tax Bureau cannot answer that question. An official said, however, that every effort has been made to prevent a repetition. A regulation has been issued. Unfortunately, after the new rule had been promulgated a similar incident took place in another town. The man's banker told me the story:

"I've known him all my life," he said, "and I know him to be honest. But I'll admit he has no head for business. His reports may have been wrong."

In any case, this man employed an expert to make out his statement. He gave the expert all the facts he could dig up or remember. Sometime later a Government agent asked him to sign an order on his banker for a transcript of his account. He gave it freely. The next thing he knew he had been indicted. He did not know that his statement had been seriously questioned until he read the story in the morning papers.

"That was not right," said the Income Tax Bureau.

Well, we know that, of course. But it happened. While on the topic of the occasional bureaucratic disregard for the taxpayer let me harp a trifle on the manner in which the bureau is administering that section of the law bearing upon the issue of securities. Among other things it provides that a tax shall be paid upon each share of \$100 par value when issued or when a company is reorganized. That is quite all right. When a company is formed or increases its capitalization a tax should be paid. But now and then a company desires to split its stock into smaller units in order more widely to disseminate it. Shares of one hundred dollars par are cut into four shares of twenty-five dollars par. The total capitalization has not been changed. There has been no reorganization. Nothing has happened to the company except that its shares have been run through the shredder.

"You must pay the tax," says the Government. Companies concerned have protested.

"Then take it to court," says the Government.

"Take It to Court!"

THAT is easy for the Government. It has plenty of lawyers and money, but it is cheaper for a small company to pay an unjust tax than to fight the Government through a ring of courts. Perhaps half a million dollars have been thus collected. The companies which have paid hope that some day a sour president of a large corporation will insist upon having a court decision. But for the moment the Government wins. It is too big and husky to make fighting it very nutritious.

This article does not purport to be a review of the work or the decisions of the Income Tax Bureau, and especially it is not an inquiry into the law. But it seems to me that a dangerous tendency to interfere in the

business affairs of the citizen is sometimes shown. I know perfectly well that the taxing power everywhere has the authority—must have the authority—to inquire into the facts underlying the taxpayer's statement of his affairs. But when the Government asserts the right to limit the salaries paid by the stockholders of a company to the officials of that company it seems to me the ice begins to get thin.

"But we must have that right," says the I. T. B. "Otherwise you must see that it would be perfectly easy for the controlling stockholders of a company to pay themselves its profits in the form of salary and thus deprive the Government of the surtax which is its due on the company's earnings."

Salary Fixing, Too

CERTAINLY I see that. And I'm with the Government in its contention, just as every other honest taxpayer must be. The statement is made that in no instance has the Government asserted its right to limit salaries when the beneficiaries are not stockholders to an extent that enables them to write their own tickets. Yet the principle seems to me a dangerous one. I am told of a small company which enjoys a net income of \$300,000 or so. Its affairs have always been conducted by the same officers, who are likewise the directors and hold a majority of the capital stock.

When the company was organized it had no bank standing and the directors pledged their own credit. During the first few years they gave almost their entire time and paid themselves merely nominal salaries. Little by little, as it has grown, they have grown with it. They have almost abandoned the other business interests which enabled them to pay rent during the first few perilous years. They have become experts in their new business, so much so that their names are known in their trade. Larger companies have offered each of them salaries ranging from \$15,000 to \$18,000. Their own company pays them \$12,000 each.

"Too much," says the Government. "Eight thousand is enough. That is what other companies of like importance pay."

Every one of us must support the Government in its effort to prevent tax-cheating by overpaying salaries—our pocketbooks persuade us—but for all that the principle seems to me a dangerous one. I put a hypothetical question—and not so hypothetical after all—to one of the Income Tax Bureau heads. A certain company, during the flush of easy money a few years ago, opened a branch in a distant city. Report at the time was that this branch had been opened in order to slough away some of the company's profits.

"They had rather lose money that way and benefit by the advertising than pay it out in surtax and excess profits taxes," people said.

But the company did not lose. The branch made money. So did the Government. In fact, the Government could not lose. If the branch had failed, the Government would not have permitted the deduction of its losses from the parent company's profits. It has learned to circumvent would-be tax-dodgers. As the branch succeeded it is, of course, being taxed. Maybe I'm pickle headed, but that seems to me a good way by which to repress enterprise. The bureau tells me I'm wrong.

"That is good law," says the I. T. B., "and besides, we have never refused a deduction when the money was lost in good faith."

I know—I know—and we all want to see the Government protected. But it would

be pretty tough on a taxpayer who had lost his money in good faith if he could not convince an official of that fact. He would be called on to pay taxes on all that good money he blew away. That would be hard luck. Just so I cannot, to save my life, agree with the Government in its contention that if you lose money at farming you are a gentleman and may not deduct it from your total income, but if you make money you are a farmer and must pay. The reader is probably muttering:

"This man has winds in his attic."

Perhaps, perhaps. Yet the Government holds that if one part of your business—only a part—is the operation of a farm you must necessarily run that farm for fun. Therefore you may not deduct the losses on that farm—there are, it seems, always losses—from your total income.

You may have embarked in the Red Duroc business with the holiest sentiments in the world. You may have been persuaded that each porcine mother will produce a penful of piglets each few weeks, each of which will be vendable to dirt farmers at enormous profits. You may be a gimlet-eyed, hard-faced, money-lusting pawnbroker who is somewhat more attached to a ten-dollar bill than to your wife. Never mind. The Government takes the position that if you lose money on your side-line farm you must have lost it for recreation, and if you lose money that way you must pay.

It is always a temptation to a layman to write his own law. I shall flee this temptation, as I should do. No more legal interpretations for me. But I cannot force myself to believe that the Government has the right—not the power but the right—to step into any business and tell the owner that he must void a contract entered into in good faith, in order that the Government may collect more taxes. The officials of the I. T. B. say:

"The Government never does such a thing."

The High Cost of Enterprise

VERY well. But listen to this yarn. A certain man in New Jersey married a handsome woman who was the inheritor of what remained of a dying business. She wanted that business revived, whereas he preferred to remain the well-paid employee of another concern. In the end, being newly married, she had her way, but he protected himself by a contract which gave him half the profits, if any, in addition to a salary.

For some years there were no profits. Then the dead business began to bustle. The Income Tax Bureau said that a contract entered into between husband and wife, by which hubby got half the profits, was a cheat and a swindle and an attempt to gouge the Government out of its surtax. Its claim amounted to about \$150,000. The husband who had proved himself to be such a good business man could not make a dent on the bureau.

"This is ruining my rest," he said to a

man who then held a political position in Washington. That much money would ruin almost any one's rest. The man who held the political position took the husband under his arm and called upon the bureau. The political man told me very seriously that he told the clerk who came out to see them that he was not to be considered in his capacity as a politician. For the moment he was a lawyer. That gave me one real happy flicker of laughter.

"The clerk," said the politician, "didn't pay a darned bit of attention to the man who was trying to save himself \$150,000. You would think that a clerk would naturally nod his head to anyone who could owe that much money to anyone. But he didn't even look at the taxpayer. He said to me:

"What can I do for you?"

Eventually the politician was able to make the clerk see that a contract between husband and wife could be valid, although months of correspondence by the husband's well-known lawyers had failed in the same effort. The worst of it, said the politician, was that the clerk acted as though any man who does not pay the Government money on demand is a crook. They are apt to be that way in any department, he said. They want to get the money, whether the money is due the Government or not.

That is not the attitude of the Income Tax Bureau heads. I must repeat that their effort seems to be absolutely fair, but they are not invariably successful. The millions that are being paid back to the taxpayers are the best proof. One reason why the heads are handicapped is that the bureau's personnel has been more or less fluid. The better men find positions at better pay in the business world. The country is full of so-called experts who learned all they know about the income tax in the bureau.

The truth is that the collection of the income tax was more of a job than anyone suspected when the Government first set about it, and the early laws were about as intelligible as Einstein's theory on a hot day. The force has now been built up to a point at which it would be efficient if it were let alone. More clerks are not needed.

Then taxpayers are not always as helpful as they might be. When they contest the Government's claim they are apt to make their argument on the law rather than set forth the facts. Now and then the Government isn't helpful, either. One man came on from a western city to find out why the Government wished to collect money he did not owe. He wasn't worrying about the law of the case. He concentrated on the facts. The Government said his income was about double what he said it was.

"If it isn't, come on and prove it," said the Government.

So he did and fought and fussed and bled with the bureau and ultimately discovered that a bank had made a mistake and that his original report was accurate. So the bureau congratulated him on having proven

his honesty and he went home sounding a good deal like one of those low, mournful calliopes that used to break out with the circus and the first crocus buds of spring. It did not occur to the bureau to apologize for having wasted his time and money.

One might go on—and go on. I know of a bank that had paid the tax for a certain year. Now, in the business world, the payment of a bill settles that bill. Not when you deal with the Income Tax Bureau. By and by an auditor discovered that more money was due and the bank paid that. The auditor said that the tax was finally, fully, definitely settled. So did an official of the I. T. B. when I put the story up to him. But as a matter of fact a field man came around a few weeks later and discovered still another place where tax was due.

"That should not be," said the Income Tax Bureau.

A Simple Question of Fair Play

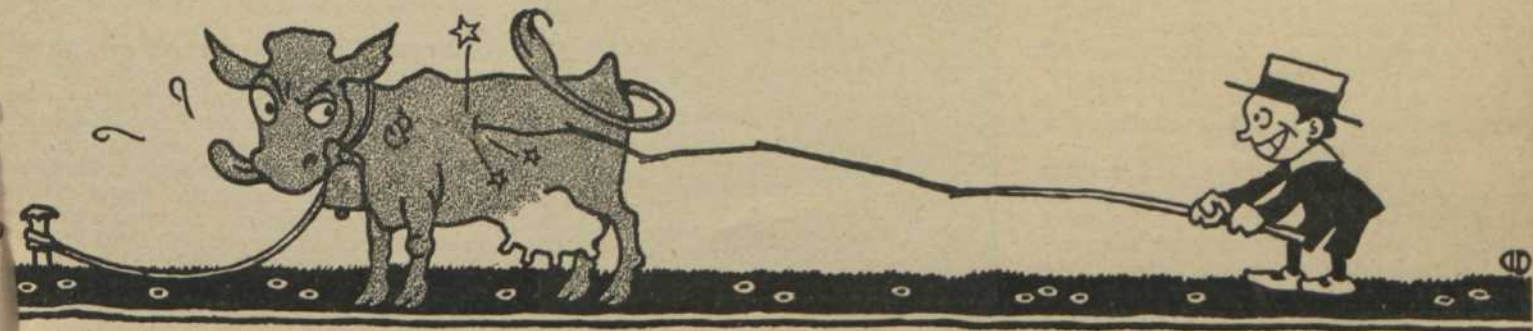
CERTAINLY, certainly. But it was. Nor should the bureau, as it seems to me, insist upon its right to hold a case open and call for more evidence unless it alleges fraud. That does not sound like fair play, and there is nothing that will turn the voters' affections away from the Income Tax Bureau as quickly as a suspicion that the play is not straight. If the bureau thinks the taxpayer is cheating, let it say so. But unless there is some reason to suspect chicanery, it would seem that it should treat its customers like any other business institution does. Nor should it play heads-I-win, tails-you-lose. Sometimes it will reverse its own decisions after payment has been made and a case apparently settled.

"The Government cannot accept this decision," one man was told, "because it was rendered by the assistant commissioner. The commissioner must pass upon it."

Then why, in the name of the Great Horn Spoon, did the Government assign the case for trial to the assistant commissioner? Yet the ethics of the bureau are improving, little by little. It still extorts waivers by bulldozing—"either waive your right to close your case now or we will put on a slice of tax that will keep it open" is what the Government says in effect. And it still, without saying anything about it, permits the taxpayer who knows no better to waive his rights until Kingdom Come. But nowadays it admits that money can be recovered from the Government if the waiver is signed, as well as from the taxpayer. There was a time when only the taxpayer paid. The Government laughed.

The I. T. B. is getting better every day. It has improved noticeably in the last two or three years—for no political reason, but merely because its officials and employees had learned more about the job. It is inspired by a genuine spirit of fairness. Its pinheads are not as pestiferous as they used to be. There is still room for improvement.

Maybe this will help.



The Bogey of the Next Congress

By CLAUDE S. WATTS

Author of "The Industrial Code"

WHEN CONGRESS adjourned on March 4 last American business heaved a sigh of relief at the prospect of nine months' rest and immunity from legislative agitation and law tinkering. Barring the unexpected emergency that would warrant the calling of an extraordinary session, there was nothing to mar the prospect. It was delightful—this promise of the first real vacation in eight years from the task of constantly watching Washington. The joys were parading and kicking up their heels all over the place.

Then out popped the Glooms. "Don't get too light-hearted," they croaked. "What will Congress do to business when it comes back next December?"

And there you are! In the midst of life Congress is ever in session, or about to be.

Psychologists are agreed that when men are dominated or actuated by fear their every faculty is impaired, their vision is distorted, their judgments are unsound, their reason gives way to impulse, and their strength, alertness and skill are sapped. Apprehension, anxiety, worry and suspense are but shades or degrees of fear.

Now it is well known that business is timid. Especially is it subject to the ravages of fear in all its shades and degrees when it contemplates Governmental interference, regulation, restrictions, investigations and prosecutions that so often become persecutions, and perhaps it suffers most from uncertainty. What Congress *may* do has often proved more terrifying and even more disastrous than what Congress *does*.

Accordingly at this juncture a message of reassurance to American business is timely and should be valuable, and, happily, there is such a message to be broadcasted. It is this:

Don't be afraid of what Congress will do next winter. Keep on sawing wood! Be of good cheer, for Congress will enact no drastic legislation affecting business. It will indulge in a lot of what is graphically termed "hell-raising." The hounds of radicalism will be unleashed, and there will be much barking, but nobody will get bit.

There will be drastic proposals a-plenty. There will be threats. There will be probes. There will be hearings. There will be sensational speeches in and out of the *Record*. This will be disturbing, but its effect may be discounted in the reasonable certainty that there is small prospect of actual law-making or law-changing of an important character before the first session of the new Congress is brought to a close.

The experienced leaders among the radicals concede this, although they do not want to be quoted to that effect, preferring to discuss their program or "the movement" in general terms, while the newcomers are too full of ideas as to what should be done to be bothered with such trifling details as to how or when it will be done.

Conservatives, on the other hand, frankly recognize the virtual impossibility of getting any actual legislating done in a Congress in which half a dozen "blocs" are being organized to break down party lines and to operate on a balance of power basis. In short, nothing will be done at the approach-

ing session because nothing can be done. This is the view of well-informed observers who are familiar with congressional processes, for they see in prospect a clash between the forces of radicalism and those of conservatism that can result only in an impasse until after the presidential and congressional elections of 1924.

The new Congress will convene upon the eve of this great quadrennial political struggle, and if it conforms to precedent it will adjourn prior to the first of the national conventions which will be held in June. Save under the stress of war emergency no really important legislation has ever been initiated and enacted in so brief a period.

Congress simply does not move that rapidly, even when there is a well-disciplined, purposeful, ably-led majority in control, which there will not be next winter. One cynical middle west Senator has gone so far as to say that "you couldn't get a majority of the next Congress to vote for the Ten Commandments inside of six months—it would take that long to dispose of proposed amendments and then somebody would probably block final action by suggesting a popular referendum!"

That is perhaps a rather extreme statement, but it was made more in earnest than in jest.

Moreover, aside from the fact that the ways of the national law-making body at best are devious and slow, there are unusual conditions in the present situation that should tend to make important business legislation an exceedingly remote possibility. For instance, a bitter fight is in prospect over organization and committee assignments in the House. It may well prove to be a contest that will keep the House marking time for weeks, or if it is averted it will be only

through giving the radicals—or progressives, as they prefer to be called—power in committees that will be more than commensurate with their numerical strength on the floor.

Representative John M. Nelson, of Wisconsin, the titular head of the progressive bloc, says frankly that the first concern of his group is this matter of organization, and he has served notice that "there will be no election of speaker until we have approved the committees."

The Progressive Program

THE significance of this is apparent. Given the representation they demand on the Ways and Means, Interstate Commerce, Rules, and one or two other committees, the progressives can delay indefinitely or prevent the passage of any measure that is not a part of their program. They do not expect to force their own bills through at this session, but they do hope to be able to wield an effective veto power and to create the issues upon which next year's campaign and elections will turn.

A chief ground for believing that no extreme legislation is to be expected at the next session of Congress lies in the absence of a specific program upon which extremists are or can be united. There is a program, to be sure, but it is general rather than explicit.

Senator La Follette will quote from the resolution adopted by the progressives last December defining "the fundamental purpose upon which we are all united," as "to drive special privilege out of control of Government and restore it to the people," but he does not explain just what he and his associates intend to do.

Representative Nelson enumerates transportation, taxes, farm credits, primaries, coal, cooperative associations, natural resources, et cetera, as the subjects of legislation in which the group with which he is identified is especially interested, but he does not give the details of a single proposal in connection with any one of them.

Senator Ladd, of North Dakota, says he would advocate the repeal of the Esch-Cummins Law, "or an amendment to that law whereby agricultural products can be given a lower rate," but he does not state what he would propose in lieu of the Transportation Act of 1920, nor does he even outline the amendment that would relieve the farmers.

Senator Brookhart, of Iowa, says he would squeeze the water out of the valuation for rate-making purposes of the railroads, lopping off some seven or eight billions of dollars, but he is vague as to how that is to be done.

Senator Capper, of Kansas, says he will press for consideration again his bill "repealing the guaranty rate-making provision of the Transportation Act," but he does not point out how that would remedy the evils of which he complains, inasmuch as the Interstate Commerce Commission would still fix rates that were just and reasonable and presumptively would not establish them at levels that would not yield a fair return to the railroads.

And even when the bills are formulated—



as eventually they must be—embodying the “progressive” ideas as to transportation, fuel, taxes, and what not, it will probably be found that there are as many different proposals as there are “progressives,” which means that much time must be consumed before agreement is reached as to the details of the measures that are to receive the united support of the members of the group. Men who pride themselves upon their independence of thought and action do not respond readily to leadership.

They are all leaders, and when one of them has given to a particular subject the time and study necessary to evolve a constructive plan, naturally he thinks that his subject and his plan are of first importance. Obviously that does not tend to bring about the kind of concerted action that gets things done in the Congress of the United States.

But while it appears that business men have little or no occasion for alarm over prospective legislation at the coming session, it does not follow that the session holds naught of interest to them. On the contrary, there is every evidence that this winter will witness the marshaling of forces in a momentous struggle over Government ownership. That question is of vital concern to all business, to every taxpayer.

The fight will not be settled by this Congress—probably not for several years to come—and it were idle to predict the result. But the issue is at hand. There is no escaping it. Former Secretary of the Interior Albert B. Fall, who is essentially a conservative, on leaving the Harding Cabinet, sounded the warning when he said that those who oppose Government ownership should no longer attempt to frighten it away by shaking their aprons at it.

Senator Couzens, of Michigan, is said to be the man who has been chosen to lead the fight for Government ownership. A multitude of proposals dealing with the railroad problem will be offered, and then the Michigan Senator will bring forward a plan for the Government's taking over the transportation industry. The radicals will all line up behind him on the theory that if a man of Couzens' great wealth and record as a successful business executive advocates Government ownership the public will be more inclined to consider it seriously and ultimately to accept it as practicable and the only real solution.

Thus the Government ownership idea will take on the mantle of respectability; it will be pressed as the overshadowing issue in next year's elections; and when the people have spoken at the polls, Congress will act.

Briefly stated, such is the program. Senator Couzens may not be aware of it, but it is being whispered about wherever two or more of the new “progressives” get their heads together.

As a matter of fact, at this writing Senator Couzens has not placed himself on record as favoring Government ownership. He says he has an entirely open mind as to the solu-

We'll Bite. What's So Disgraceful About It?



Since Nine Out of Ten of Our Great Industrial Executives Began As Laborers, Clerks, Farmers or Office Boys



And There Are More Hundred Thousand Dollar Jobs Than There Are Hundred Thousand Dollar Men to Fill Them



And Since It Is the Hope of Every American Family That Their Son May Have That Ability



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Why Is It That Chasing Them Is Considered Such A Great Political Sport and Vote Getter?

tion of the railroad problem. He has even expressed it as his personal preference that the Government should not have to take over the railroads. However, he qualifies that declaration by adding, “but we have not found any effective solution and therefore it looks to me as though Government ownership was the only solution.” And if any doubt lingers in anybody's mind as to his purposes and plans, Senator Couzens also says:

It is an interesting pastime of business to throw mud at the Government in all of its activities, yet I am safe in saying that a com-

parison of the methods, failures, and successes of private industries would show up worse in comparison with Government activities. *This comparison will undoubtedly be made in the near future to show to the public the real facts.*

The last sentence is italicized, not because the Senator so emphasized it, but to point the significance of the propaganda which is now under way; the country is to be prepared for Government ownership by assaults upon the efficiency of private industry in general. The Michigan statesman also says that “railroad doctors” are not to be trusted and that congressional investigations will be useless

"because they will eventually wind up with so many compromises that they might just as well have taken a pail of white paint and covered the thing up in the first place."

Reiterating that he has an entirely open mind on the way to solve railroad difficulties, Mr. Couzens concludes:

I do not crave for Government ownership and operation, neither do I encounter any fear of the Government having to do the job, because I am satisfied that if the Government is to do it, it will certainly not be any more expensive to the public than it now is.

Opponents of Government ownership will be heard from when it is realized that the issue must be met. Needless to say, there are many able men in and out of Congress who regard the Esch-Cummins Law, or the Transportation Act of 1920, as it is officially designated, as, on the whole, a splendid piece of constructive legislation, and who will resist efforts to tamper with it until the desirability and feasibility of proposed changes are clearly demonstrated.

Meanwhile, as indicative of the division of opinion as to what should be done in the way of railroad legislation, it may be pointed out that railroad labor is by no means a unit on the subject. A committee has been created representative of the sixteen standard railway unions to evolve a plan, and a sub-committee has agreed tentatively on a somewhat elaborate amendment to the labor sections of the Transportation Act.

This contemplates changing the Railroad Labor Board from a tri-partite to a bi-partisan body, eliminating the public representatives and providing for an umpire in cases where the representatives of the employees and the representatives of the management cannot agree. This would make it a tribunal somewhat similar to the National War Labor Board.

However, this cannot be said to be the labor program, for the four big brotherhoods—the real power in railway labor—

are understood to favor the repeal of all the labor provisions of the Transportation Act and the substitution therefor of the old Newlands mediation plan for dealing with labor controversies. Just which way the labor group will jump when Government ownership is proposed is another question about which nothing is certain, except that it will not jump all at once or all in the same direction.

The conservative element in Congress which believes in strengthening the present system of private operation of the railroads under Government regulation will direct its attention primarily to those phases of the problem which have to do with the financing of the railroads—the securing of the new capital so sorely needed for increased terminal facilities, new equipment and other betterments. No specific proposals along this line have been advanced as yet, however. Closely allied with the question of finances is that of the consolidation or merging of all the railroads into a few great systems.

Something Has Got To Be Done

TURNING from transportation to coal, we find only one comprehensive or concrete suggestion as to what is to be done about the great fuel industry. That is Senator Cummins' idea of extending the provisions of the Transportation Act so that they would cover coal. This would mean Government fixing or regulation of prices and control of operations through an agency similar to the Interstate Commerce Commission and Government adjustment of labor controversies.

Before such a proposal is really taken up, however, there will be a disposition to wait and see if the Transportation Act will stand up under the fire that is being directed against it from all sides.

Furthermore, Congress has appropriated several hundred thousand dollars for a survey of the coal problem by the President's

fact-finding commission and members generally are inclined to look to the commission's report for guidance and help. At any rate, none can be found who will at this time offer anything more instructive than denunciations of coal prices and coal strikes and general assertions that "something has got to be done."

Senator La Follette has told the country what ought to be done about the oil industry, and he has done it in a way to make a Hollywood publicity agent turn green with envy. In truth, his "Beware of Dollar Gas" slogan went over so big, as the artists in propaganda would say, as almost completely to conceal the paucity of his details as to how the oil dragon is to be hunted down and destroyed.

In matters of taxation the coming Congress will have before it proposals to tax undistributed profits and to restore the excess profits tax, as well as resolutions for constitutional amendments under which stock dividends can be taxed and the bars raised against tax exempt securities. A sales tax in lieu of the income tax will also be advocated, but there is little evidence that Congress is as yet responsive to the growing public sentiment favoring that.

As to general Governmental interference with business there will be measures both to enlarge and to curtail the powers of the Federal Trade Commission. They have not taken definite form as yet, but it seems reasonably certain that the issue will be raised as to whether the commission is to be given practically unlimited inquisitorial powers or held within bounds conforming to the decisions of the courts.

On the whole it is apparent that the approaching session will be one of agitation rather than of legislation. It will be the year of the big talk-fest. Much will be started, but little will be finished, for the mills of Congress, like those of God, grind slowly and grind exceeding small.

Really Great and Nearly Great

By THOMAS L. MASSON

WHAT a change has come over our methods in the matter of paying business calls! At one time we "dropped in." Now we make appointments ahead, sometimes weeks ahead, or, in emergencies, telephone ahead. What individual so brave as to make an unexpected call on any man of business, or, indeed, any other kind of a man!

Recently, under the inspiration of a great mission—for my business was one of national service—I had occasion to call on a great many of those men who are classed as "prominent." In some cases it was a woman instead of a man. But in all cases the method of reception was about the same; evidently this sort of thing has been standardized.

There were two exceptions. One was where I had an appointment to see a man at a certain hour, he having set the hour. At the appointed moment I arrived. It was an open office. His desk was there, but he was not. A young woman stenographer sat next. I told her who I was and she motioned me to a chair and went on with her work. I waited half an hour. Finally the man came in. He ignored me, although I was within two feet of him, and turned to his dictation.

He went on steadily for fifteen minutes. At last, lighting a cigarette, he looked around and said:

"Were you waiting to see me?"

The other case was that of a man who, on my first visit, greeted me with an almost emotional courtesy. All his life he had waited this opportunity. He said that at the time he happened to be very busy and could not give me the attention I deserved. But would I come in later? I said I would and made an appointment for another day. He bowed me out profusely.

I called a week later at the appointed hour. He sent out another man, who ushered me into another office, then rang up a lady he was going to the matinee with, talked to her for fully fifteen minutes, and then, turning to me, said pleasantly:

"I beg your pardon; did you want to see me about something?"

Aside from these two people, however, all the rest were quite wonderful. Most of them even had to ask me to sit down again. They were actually driven greatly, yet they carried about with them a genuine sense of leisure. One man—one of the biggest and greatest in this country—talked to me nearly

an hour, while a group of male secretaries fussed about just outside of the door, trying to attract his attention. He read me private letters. He asked me a lot of questions. When I finally tore myself away, and his secretaries bounced on him, he called out: "You can always have anything I've got."

At the door of every large office there is generally a young woman to greet you. For purposes of economy, she is frequently in charge of a telephone switch. When this is the case, it is often necessary to wait. Her first question usually is, "Have you an appointment?" If you say yes, the probability is that she knows who you are and will generally tell you your own name.

I am convinced that no human being in the world has the *sang froid* of the American girl in the waiting room. Her manners are generally perfect. She displays not the slightest amount of superfluous energy in addressing you. She is generally abrupt, but always considerate enough. But she is not to be cajoled or fooled. You may as well tell her at once the truth, the whole truth and nothing but the truth. For she knows it even before you have spoken.

"Why Worry? I'm Insured"

By WARREN BISHOP

LONDON, says a casual news note, is seriously alarmed over the prevalence of fires. There were turned in 225 alarms in 1921 as against an annual average for 20 years preceding of 215.

London and London's officials should come to this side of the Atlantic and get something really to worry about. The United States has been accused of boastfulness. Perhaps we are a little inclined to think that we're a nation of superlatives.

However, there is one matter of which we are, unfortunately, entitled to speak in superlatives without fear of European criticism—our fire waste. There we're on sure and solid ground. While poor, backward, benighted London was worrying about 225 fires a year, modern, progressive New York started the New Year of 1923 with 327 alarms on January 1.

New York has a fire every 20 minutes. In effect, a fire is burning in New York all the time. And New York does all this with fewer people than London.

We're a great nation, and we needn't confine our remarks to the city of New York. Fire? There isn't a country in the world that has such a fire record as we have.

Figures of fires and fire losses are not always easy to collect, and not always certain, but they all agree in indicating American supremacy in the fire field. Figures from Europe since the war have been fragmentary, but go back to the last full year before the world plunged into its ugliest mess.

The fire loss per capita in the United States in 1913 was \$2.10. Our nearest competitor in the list, France, had a loss far below that of the United States, only 49 cents a head, while Great Britain got along with 33 cents, and so on down the list until we reach Holland, with a loss of only 11 cents.

But a more significant, a more serious fact is that our fire loss in the United States is not lessening, but growing, while Great Britain is cutting her losses.

The chairman of the Executive Committee of the Corporation of Insurance Brokers published recently a review of insurance in the United Kingdom for 1922. In it he reported a "gratifying reduction" in the fire loss, and added:

"This tendency does not seem to be reflected in the United States and Canada."

It doesn't. The National Board of Fire Underwriters say that fires cost the United States \$353,000,000 in 1918 and \$495,000,000 in 1921. Startling figures! More than \$4 a year per capita in smoke and flames.

Compare this with the English figures from the authority quoted above. The fire loss for 1922 to the end of November was "approximately £5,750,000 as against £7,250,000 in 1921 and £7,700,000 in 1920."

In other words, Great Britain is cutting down her fire loss, which had mounted after the war, while the United States is increasing hers.

One more figure of growing fire losses. In New York City in 1916 fire losses were \$8,000,000, in 1921 they touched the twenty

million mark, and in all probability they were between 25 and 30 millions last year. The fire loss of New York City, with its 5 or 6 million people, is fast mounting to that of Great Britain, with its 45 or 50 millions. In fact, that point may have been reached last year.

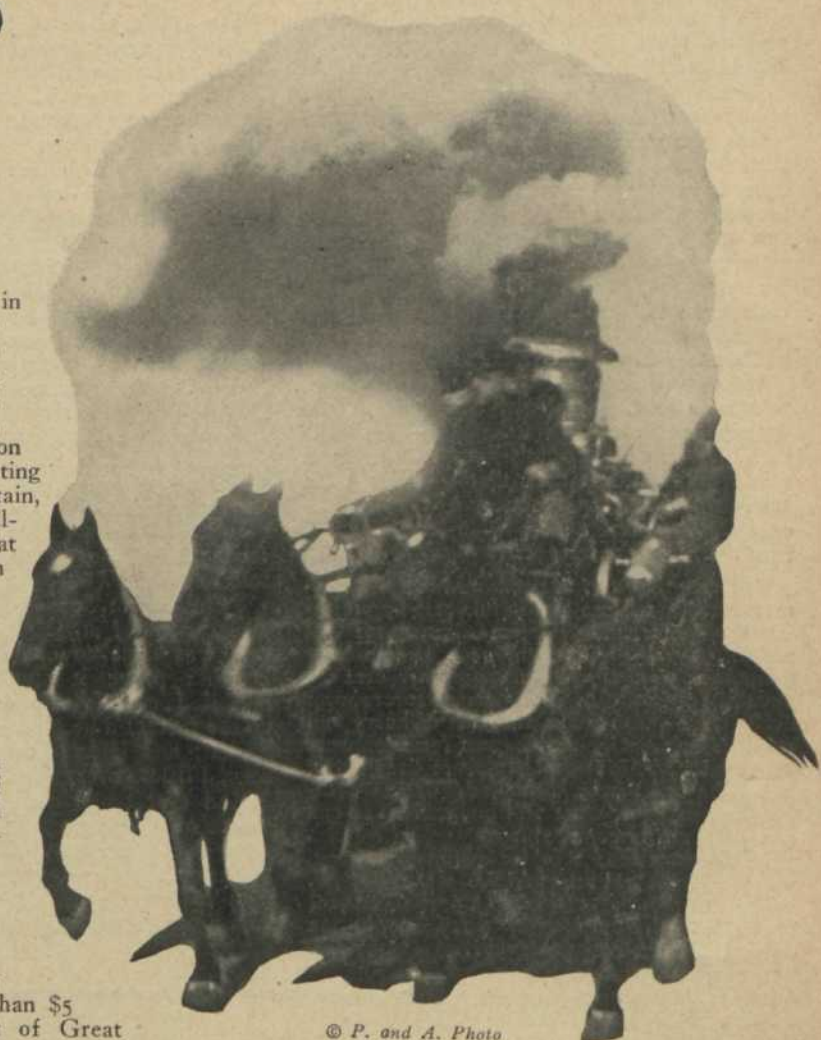
All this is mere piling up of proof of what the men whose lives are spent combating know all too well—that we, as a nation, are chief among sinners in the extent of preventable fires. Stay, though. Our neighbor to the north, Canada, does as badly as we do. Her fire loss in 1921 was more than \$5 a head, while that of Great Britain in the same year was less than a dollar. Mentally and physically, the resemblances between this country and Canada are strong.

Fire figures are uncertain. The best of records are built with some guesswork. The most painstaking studies of causes devotes a well-filled column to "unknown." What the students of fire causes do know and feel certain of is that carelessness and indifference, carelessness of one's own conduct and indifference to the rights of others, are what lie back of much, if not most, of the mounting fire loss in this country. Of the twenty odd classifications into which the underwriters divide the causes of fires, "Matches—Smoking" leads all the rest, and that is strictly preventable. As a nation, we "don't care." This is how the head of one large fire insurance association illustrated it:

Last summer I was motoring through the country when I realized that I was on a wrong road. I called to a man working near the road to ask my way.

As he walked toward me, he finished lighting his pipe, dropped the match, ground it under his heel and looked to see that it was out. I felt certain before he spoke that he was not a native American. He had been brought up to know that it was his business to see that the match didn't cause damage. And I was right; he was from Central Europe, and spoke very little English.

The apologists for our fire losses, if any there be, will undoubtedly say that this country compared with Europe is frame-built, and that frame building was an essential to our growth. All true, and the same condition exists in Canada and in part accounts for our swollen fire losses, but there is another side to that. For many years this country has



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been working towards more substantial building, to more stringent structural laws.

Theoretically we are safer against fire than we once were; actually our fire losses grow faster than our population. And the answer is perhaps that you can't fire-proof all at once against carelessness and crookedness. It is a matter of cumulative education.

Europe—Continental Europe at least—has this advantage. There the man in whose house or in whose office a fire occurs, has put upon him the task of explaining that it was not his fault. The Code Napoleon requires the person in whose building a fire occurs to explain that the fault was not his. Failing that, he may be held liable for damage done by the spread of the fire.

Take an instance from France. A man moved into a new home, and hardly had he got in when a fire started in the floor under an old-fashioned stove. He was summoned to explain and took refuge in the fact that he had not been there long enough to investigate and improve conditions under his stove. Then the tenant whom he succeeded and the landlord were summoned to explain why they hadn't fixed things up properly; and finally one or all three were fined.

No one in this country would go as far as that, although several cities and one state have enacted laws that fix personal liability for preventable fire. Traditionally we assume people to be innocent. We don't, as a national policy, hold a man in whose premises a fire starts guilty of causing it, nor do we make him on general principles liable to the neighbors for the damages resulting from a fire beginning on his property.

Quite the other way. We are inclined

to smile complacently and to say in effect:

"The insurance companies have got money, and it's their business to pay losses. Why should the rest of us bother?"

That's too often the American state of mind: "I'm insured. Let the company worry."

But you and I and Everyman quite forget that the company may worry, but its worry consists in figuring how much it is necessary to add to premiums to pay losses due to fires that might have been prevented. The company pays at the time of the fire, but in the end it's the policyholder that pays. If America's fire losses were 50 cents a head instead of four or five dollars, what would be the effect on the policyholder? Work it out.

Intensify that "don't care" feeling, and you will understand how fires and business depression go hand in hand. The men who keep tab on the country's fires will tell you that a business conditions map could be made in New York City by a study of the fire record. As one man with a wide knowledge of fires and their causes put it:

You can tell with a good measure of accuracy what conditions are in business by watching the fire record. Fur trade was good last season. Every girl, rich or poor, had to have a fur coat, even if she mortgaged her next six months' wages for it. Fur manufacturers were doing work under every condition of hurry and rush. Theoretically the chances for fires were increased. But did we have more fires? Not much, we had fewer. But if fur is less fashionable next year, what will happen? You can guess the answer; more fires.

The reverse was true of, say, wooden toys, where business was poor and fires were plentiful.

The best proof of how large a part this moral hazard plays is shown by conditions in the boom times of the winter of 1919 and '20. There was an unprecedented demand from every quarter for goods of every description. Factories were running day and night, and under most careless conditions. Half-trained, unskilled workmen were hurried on to jobs calling for a high degree of care and technical skill. Many things made fires not only possible, but probable. And what happened? Fires were fewer. Men didn't want fires, and what they didn't want, they didn't have.

These depression fires are not all actual arson. They are largely fires of indifference. Sometimes that indifference approaches crime so closely that it is hard to tell one from the other. Here's what may happen:

Business is bad, and its proprietor is low in his mind. He's insured for \$5,000, which would pay off his debts and, he fondly believes, start him up again. If smoking is permitted where it shouldn't be, if someone leaves highly inflammable material around, if a gas leak is not reported promptly, does he worry as he would have a year ago when business was good? Not he. He thinks of that policy, and he begins to look on it as a bet of \$25 to \$5,000 with the insurance company; and the more he thinks the more he feels that he ought to win

that bet. His state of mind is, "If Providence sends a fire, who am I to interfere? And, besides, I need the money."

Then one day a fire happens. Some one has dropped a match, or a curtain has blown against an open flame. It wasn't his fault, was it?

Perhaps that isn't the end of it. The next time the fire comes a little more promptly, with a little more encouragement. Arson? Perhaps not, but dangerously near.

We are very tolerant in this country of the man who has a fire, much more so than in Europe. That has already been explained. But that tolerance extends even to actual arson and is shown by men who ought to be leaders in the community. It's hard to believe that a banker would tolerate arson, but this incident was unusual enough to surprise F. R. Morgaridge, the head of the Arson Department of the National Board of Fire Underwriters.

There came all the way to New York from a small city in Kentucky a banker who said in effect:

"The fire in Soandso's store, I'm as sure as I can be of anything, was started by him and was done to collect the insurance. I couldn't prove it maybe, but I know it, and if I can do anything to help you dig up the facts, I'd be glad to. Soandso owes me \$4,500; and if he doesn't collect the insurance, I'll lose every cent of it; but go ahead."

And that stood out as a conspicuous instance of unselfishness. All too often feeling runs the other way. The banker and the business neighbor say to themselves, "If this man collects, he will pay his notes and his bills around town, and perhaps he'll do better next time."

And that's one factor in our enormous fire bill. Arson, certain and proved, does not loom so large, only between two and three million a year; but arson, unproved but wholly probable, bulks large in the column of "unknown" causes to which 40 per cent of our fires are attributed.

Another case in which a business man was willing to put himself to a little trouble and to aid the work of preventing fraudulent fires happened not long ago. A manufacturer had built for war uses a factory not far from New York City. With peace and the business depression which followed the first boom, the factory was idle on his hands, eating up taxes and insurance premiums and waiting for the buyer who bid fair never to come.

One day the owner found in the morning mail a letter which read something like this:

"I make a specialty of selling idle factories like yours on Thusandsuch Street. Usually I sell them to insurance companies. If you are interested, call me up at—. If you're not, drop this in your waste basket."

The man was interested, but not in the way the writer hoped. With a sense of his duty to the community not common, in the opinion of the insurance men, he visited the National Board of Fire Underwriters and showed them the letter.

He was welcomed, and the board's investigators set to work. They got in touch with the seller of real estate, and agreed to meet him in a hotel in a city near New York. There he showed up, and the Underwriters' representative asked among other things what guarantee the honest tradesman could give of his reliability. Could he, in short, deliver the goods?

He could, and if there were any doubts, they could go to the phone and call any or all of these three numbers and ask if the men on the other end had ever done business successfully with the honest tradesman.

The numbers were called, and the answers were highly satisfactory. Mr. Smith—if the other Smiths won't mind, we'll call him that—had disposed of buildings for them with satisfaction to them. And here we may remark parenthetically that each of the men called up had had a "successful" fire—successful except to the insurance companies, and, in the final analysis, to the community.

The conference continued, and Mr. Smith told what he could do and how it could be done. He wanted \$50 down for materials, and a percentage—not a very large one—of the insurance. Arrangements were made, and moved to the point where the ingenuous dealer in unused factories was arrested. He's now in jail for arson.

But the professional firebug isn't the whole or the greatest cause of incendiary fires. Far, far more are due to the man who grows careless because business is bad. Linked with him in carelessness, if not in criminality, is the man whose attitude is:

"I'm insured. Why should I bother?"

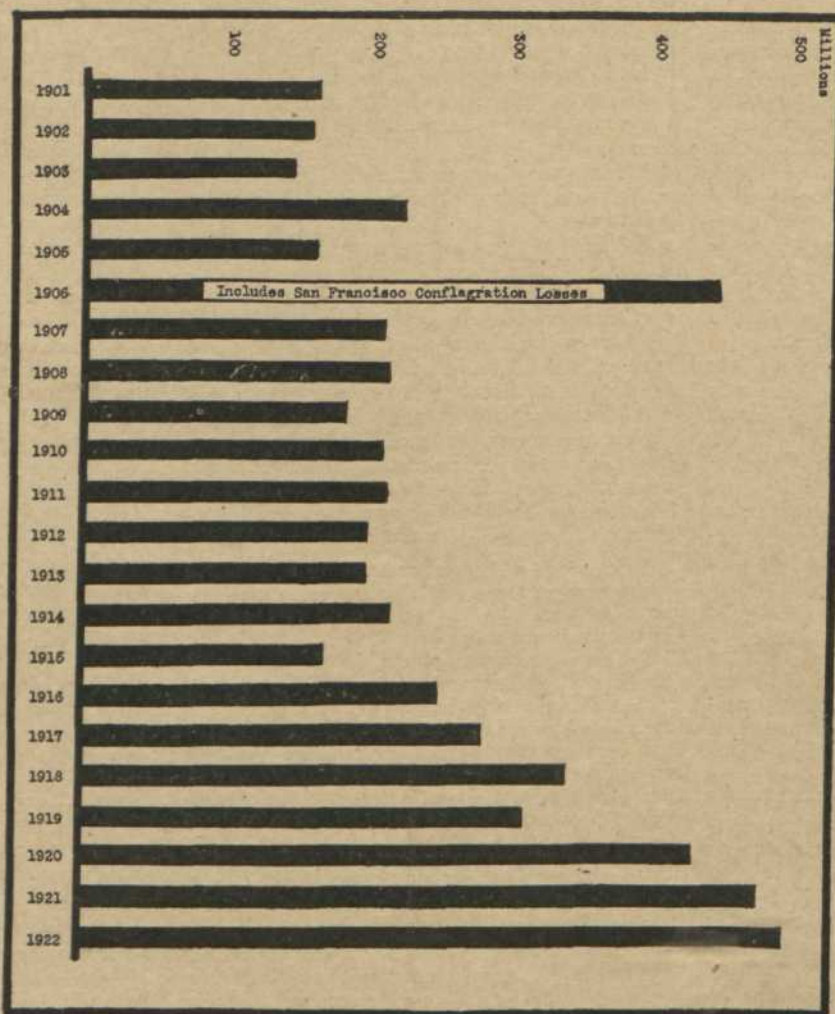


Chart showing fire losses in the United States during the last twenty-one years

Business Is Business in Germany

By FREDERICK SIMPICH

AS OUR ship was about to dock at Bremerhaven, a sudden commotion broke out on the pier—much frantic shouting, fingers pointed at our ship, hostile fists shaken at us. Then, while we drifted in the stream, I saw a flag being hurriedly run down from our mast. It was the flag of the old German empire.

"Was los?" I shouted to the skipper of a passing tug, who was grinning at us.

"The dock workmen all struck," he yelled back, "because you were flying the Kaiser's old flag. They say you've got to run up the flag of the new republic before they'll pass you a line."

We did—in twenty minutes the strike was over, and we were tied to the pier, and a cargo of American meat was being discharged.

So it goes; it's as easy to start a strike in Germany now as it is to start a crap game on Saturday night in Georgia. At the hotel in Hannover where I stopped, the waiters all struck one day as a protest against prohibition. Curiously enough, in the midst of her other worries, Germany also has her prohibition problem, and the "Abstinenten," as the drys are called, insist that rum is a curse which has laid the land by the heels, and that Europe's economic illness cannot be cured until the people stop drinking so much.

For weeks now I have gone from one country town to another, in Germany, talking with factory owners, farmers, skilled workmen, common laborers, waiters and all. Since the French came into the Ruhr and the mark sank for maybe the last time, the people are in a daze. Yet there is a certain clearly defined difference of opinion, which seems to separate the constitutionally pessimistic Germans into three groups.

The first embraces a large number of highly capable, experienced and successful business men. One of these, a large manufacturer of machinery, said to me:

"Before the war we sold \$25,000,000 worth of machinery a year; we made money during the war—and since. Today, however, what with having to buy coal from England, and to keep thousands of men on our payroll whom we really don't need, our losses are cutting us to the heart.

"We dare not lay off a large number of workmen—they'd starve, or go bolshevistic. The law, too, compels us to keep them on pay at least four hours a day, so long as possible. But, serious as our situation is—and gloomy as the future looks—we face it philosophically. If we have to sacrifice 50, or 60, or even 70 per cent of all we have, in order to save say 30 per cent of what we possess, why, then, we'll just have to make the sacrifice.

"The day of the big fortunes is past, any-



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ESSEN UNDER THE EYE OF THE FRENCH

"They brood; they still believe that a score of nations leaped on Germany in 1914 and ruined her for their own gain. They curse the French; they groan and mutter as food prices soar and bitterly complain that the great nations—with the possible exception of America—are in conspiracy to starve and destroy Germany"

way, in Germany. For a long time to come, nobody here should expect to *save* anything. Whoever earns any surplus must pay heavily to the Government in taxes and divide the rest among his less fortunate countrymen. I'm not a communist—I'm as sound a business man as ever. But those of us who have wealth, and who can easily read the unmistakable signs, realize that we must *give, give, give*, or somebody will *take, take, take!*"

In the second group—and by no means a small one—stand the restless, adventurous, impatient element, including many former officers, skilled mechanics, chemists, and bank employees who want to quit Germany forever. In this group, too, are thousands who, during the war, were interned in England and elsewhere. I've talked to many of these. One man, who'd been a successful planter in Samoa before he was deported, said:

"Ours is not a rich farming country like America, and we're frightfully over-populated. We can't live from the land; even the small farmer who owns his own patch, and who is of course better off than the town laborer, has a hard, eternal struggle. You can see the women, wading through half frozen mud digging sugar beets, or hitched in beside a horse or an ox, helping pull a plow. Many of these small farmers are as miserable as

the poorer peasants of China, not only in Germany but all through middle Europe.

"Germany is the land of workshops, great and small. Most raw materials she has to import, and then she lives by exporting the finished products. But the war, the cutting off of the Ruhr coal by the French, the loss of our colonies and the return of thousands of Germans from abroad have upset the balance of nature.

"A million, maybe two millions of Germans should leave, to settle in Mexico, the Far East, or South America. Thousands would sail tomorrow; but with exchange where it is, if I sold my home, furniture, jewelry and all, I wouldn't have enough to pay for tickets for myself and family."

The third and greatest group, numerically, embraces the millions of shabby, plodding workers in mines, factories, stores, offices, and on the farms. These people form the backbone of Germany. It is their strength that keeps the wheels turning. They brood, of course; they've been taught and they still believe that a score of enemy nations leaped on Germany in 1914 and ruined her, merely for their own gain. Today they curse the French, they groan and mutter as food prices soar, and bitterly complain that all great foreign nations with the possible ex-

ception of America—are in a conspiracy to starve and destroy Germany.

They strike, they hold meetings, and their demands for more wages are not always couched in polite diplomatic phrases. Yet their utmost and abiding ambition is to *work*, and to be paid a living wage. With communism, with the Russian soviet system, they have no patience. Rather, the more intelligent say that German labor owes Russia a great debt for having proven at such frightful cost, the futility of communism.

Gloom, Doubt—and Danger

GERMAN business men will tell you that, judging by the exhaustive tests of the past five years, these struggling workers, battling now for bare existence in the face of the worst economic disaster this old civilization of middle Europe has ever seen, *will not go red or run to pillage and kill, unless driven by sheer starvation.*

Yet when you walk through the tenement quarters of these big factory towns and see how many ragged, hungry women and children there are, when you stroll through the public markets where food is sold, and watch these shabby women making their morning purchases—inadequate bits of meat and a handful of withered vegetables—then you begin to think very hard. You wonder how much longer these people will keep their heads, stay sane, and *work.*

One old woman whom I saw bought a small pile of beef bones, a bit of cheese, and some stale bread. She paid 400 marks, or one cent, by that day's exchange. Her husband, if she had one, was probably earning at the rate of four or five cents a day. Such a couple—and there are millions between the Weser and the Volga—can exist till their ragged clothes fall off or one of them gets sick.

So no thinking man, who cares for the peace and stability of Europe, can look behind the scenes in Germany today without the gravest apprehension. The future, even during the next six months, is obscured in gloom, doubt and danger. No matter how stoical or industrious a race may be, if its working men are pressed beyond the point where even the hardest toil fails to earn food and shelter for women and children, they inevitably react—to the damage of the state and society in general.

To the typical restless American, who wants either to get ahead in his present job or else get a better one, the patience and resignation of these working people are beyond understanding.

In the hotel at Bremen a plumber came tinkering around my bathroom. "How much do you earn?" I asked him. Five cents it came to, the sum he named in marks. "I sound like a millionaire," he said, and grinned dubiously. "But I haven't bought a stitch of clothes in five years."

"And your rent," I asked. "Houses are scarce—what do you pay?"

It was about a dollar a year! "But I don't live in Bremen," he explained. "I have an old bicycle—one I got before the war. So when my day's work is done, I ride out into the country, where I live. If I don't have to pedal against the wind, I can make it home in two hours." Four hours in every day of this man's life are spent riding to and from work—on a nine-year-old bicycle!

"Away out in the country," he resumed, "I rent a small shack of two rooms, with a little patch of ground where my wife raises vegetables and potatoes, and where we can keep a cow and a few hens. Our trouble is clothes—I earn enough to feed my family,

and pay for tires on my bicycle, but our clothes are nearly gone. My wife has cut up most of hers to make things for the children. Of course, when the mark goes up again, prices will come down, they say, and we can buy clothes. They're having a conference in London now, the papers say, to give Germany credit and stabilize the mark."

Cheap as it is measured in dollars, the quest for this mark is as keen as ever. Yet, once in hand, everybody drops it like a hot potato! To hoard mere marks, or to keep a large bank balance on hand, is counted pure stupidity. Those who cannot buy foreign paper, or convert their marks into foreign money, seek to invest quickly in goods or materials.

One night in a Dortmund music hall I heard a comedian singing about the predicament of a wealthy old maid. To keep her income from accumulating in marks, she had purchased 14 alarm clocks, 11 oil stoves and 5 sets of encyclopedias. It was only when she bought three new baby carriages, and hauled them home herself, one tied behind the other, that her neighbors rebelled.

The feeling among town dwellers against farmers and country people is anything but friendly. The truck gardeners and farmers, the city laborers complain, have all become *Lebensmittel schiebers*—food profiteers. Even when the Government's most stringent food price-fixing laws were in force, these farmers smuggled food into cities and peddled it on the sly at prices far above those fixed by law.

The Dollar's Strangle-hold

AND today—just to show you what a curious stranglehold the American dollar has on the imagination of all Europe—let me tell you that nobody watches the exchange quotations more closely than the small German trader, truck gardener and farmer.

If a dispatch under a New York date line is pasted up in a money-exchange shop window saying that in New York the mark is quoted at 40,000—or showing a rise in the price of the dollar of say 5 per cent, you can be sure that in a very few minutes every old woman in the public markets will have *marked her butter and eggs up 5 per cent!*

In Goslar, a village in the Hartz Mountains, I saw an old man who raised canary birds. He was as busy as the traditional one-armed paperhanger, with the hives.

"In the past year, this region has sent tens of thousands of canary birds to America," he said. "I ship to New York, and sell for dollars—millions of marks, it comes to. So long as I can get cages, and bird seed, my business is not going to suffer."

What with export taxes, permits, and export prices fixed in foreign money, the outlander who comes here to buy has trouble enough. Yet, measured in our money, many things—if you can find them—are still cheap. A tailored suit costs \$10 and up—but doesn't fit. Wool golf stockings are 25 cents. A seat in the opera to hear Siegfried is a dime; so is a good bottle of Rhine wine. Among the big hotels, however, a gentle conspiracy exists whereby all foreigners are systematically soaked.

The printing business in Germany shows a curious example of Europe's labor complex. With a German acquaintance, I went to visit a great wholesale paper and job printing plant which this man's family has owned for over fifty years. Passing the typesetting machines, I noticed that the operators were setting up reading matter in the Dutch language; not far away, a Holland proofreader was at work.

"Yes, we do an enormous printing busi-

ness for Holland," my host explained. "We not only do a lot of job work, like catalogs, stationery, etc., for Dutch trading firms, but we also regularly set up and print the whole editions of many Dutch magazines and papers. They send their manuscripts over to us, and we deliver the printed edition at the Dutch frontier—wrapped, ready to mail. Our customs people make no trouble over exporting printed material—whose value is mostly in labor. We also export much paper, mostly to southern Europe.

"High freight is our chief trouble. Then English buyers come here, looking for paper for India and the East. One was here last week. I asked him what kind of paper he wanted. He said he didn't care, so long as it was *bad*; that it had to be *bad*, so it could be cheap; that his customers in the East didn't care how bad it was, so long as it was cheap enough.

"And," said the paper merchant, "this rule is true in a lot of other trades. What the people clamor for now is something that's cheap—no matter how poor the quality of a suit of clothes, a pair of shoes, it's the price that counts."

A jobber in Hamburg said: "I notice one curious change in our trade policy. Before the war, we sold much of our own best products right here in Germany, at good prices, and dumped our surplus abroad. Now, however, we export our best stuff, because the Germans can't afford to pay for it, and do our dumping at home. Today, whether you sell suits or sausages, even your wealthiest German customers will buy only the cheaper articles."

"Paying for English coal simply means we have to boost our export prices," a maker of farm implements told me. "But the tractor and farm machinery trade is good. You'd be surprised how many farm tractors are bought every month, for use right here in Germany. Mostly, however, we sell to Roumania, Spain, and Russia."

In all the factory regions, from North Germany down through the Ruhr to the chemical plants about Mannheim, you are struck by the number of new shops and office buildings that are being built. This is because so many paper marks—profits—are hurriedly reinvested. But you see no new dwelling houses, except here and there small flocks of row-houses, built by some big factory concern to house its own workers. The radical anti-landlord laws are largely responsible for this.

The Poor Landlord

THE unluckiest man in Germany today is the man who owns a house and rents it out. He can't charge more than a certain rent that's fixed by law—ridiculously low, in most cases—and he can't put his tenant out, except under most unusual circumstances. This shortage of dwellings has led to all sorts of official supervision, and no family is allowed more than a certain number of rooms, depending on the size of the family. Engaged couples, too, often unable to find a place to set up housekeeping, are prevented from marrying.

It is counted a sin to waste light or heat. In a cafe of a country town I asked the waiter to switch on a light, so I might read. "Please go over to that other table," he said, "where the other people are. Then you can all use the same light."

The group greeted me politely as I bowed, German fashion, before taking my seat among them; they glanced curiously at the American magazine I was reading, then resumed their favorite indoor sport of lambasting the French.

The Marion Idea Has Moved East

By JAMES B. MORROW

THE PHILOSOPHY of Marion is becoming national. Brought to Washington, a test of its soundness and applicability is being made.

It might as well be known as the soul of Marion, or the procedure of Marion, as by any other term. Neither would formula be an unexpressive noun. Anyway, it is a course of communal thought and action in which the elements of cooperation, neighborliness and laudable selfishness promote, by the chemistry of human nature, a reasonable measure of prosperity and tranquillity. Therefore, the spirit, or the practice of Marion, however it may be categorized, becomes the affair of all the men, women and children in the United States.

A story will make clear the technics of the Marion idea. . . . "Marion idea," after all, fits the case very well. "Philosophy," "procedure," "formula," and so on, then shall be put aside for their diminutive but stalwart substitute.

A village inventor, living and brooding in the hills, seeing cellars dug and ditches cut with pickaxes and shovels, planned a machine that would scoop up the earth by steam, a ton at a time, and load it into wagons. He carried his plan to Marion, where it was investigated. Investigation is part of the Marion idea. While other towns might be inert and skeptical, Marion always was wide-awake and analytical.

A machine was made, on the plan that had come down from the hills. By cooperation. The hardware merchant, the dealer in lumber, the manufacturer of engines, the banker and others gave iron, beams, wheels, chains, skilled workmen and money. Ready for trial, the machine was sent by rail to a stone quarry near Cleveland. The men of Marion went along. They stood on a high bank, heard the power turned into the engine and saw the huge steel shovel bite into the earth. "It works," shouted Edward Huber, at whose shop the machine had been put together.

A company was organized, with a capital of \$50,000. Business men of Marion were the share-owners. The capital of the company today is \$1,300,000; its surplus, \$5,000,000; its business, national and international.

Early into the company came Daniel Richard Crissinger, to hold, for twenty-two years, the offices of general counsel and director. Long before, caravans of farmers, from the region of Marion, hauled their wheat northward in covered wagons to Sandusky, whence it was sent in ships, over Lake Erie, to Buffalo. It was a journey, Marion to Sandusky, of 90 miles or so, across prairies, through forests and over roads deep with dust or almost bottomless with mud. John Crissinger took his wheat to market in that manner.

A lively man he was; a Hollander by blood. He traded in land, started a store at the village of Caledonia and set up a sawmill in the adjacent woods. A log cabin, in Tully Township, was his home when Daniel Richard, his son, was born.

The son, at the age of eleven, began clerking in his father's store. Warren G. Hard-



© National Photo

From running a bank at Marion, Ohio, to running the Federal Reserve Bank is a long step, but Crissinger took it. Here he stands four-square to the world, with his hands still in his own pockets

ing, son of Dr. George T. Harding, six years old, had already entered the public school at Caledonia. These boys, now men, Crissinger a lawyer and Harding an editor, began their careers contemporaneously, practically, in the town of Marion, only 9 miles distant from Caledonia, and in the same county. Crissinger had been graduated from Buchtel College, in Akron, and the law school of the University of Cincinnati. The Marion idea even then was more than in the bud; its unfolding colors could be clearly seen through its sheath of brown and green.

Now Marion, where once coon, mink and deer skins were legal tenders at the stores for whisky, tobacco, powder, lead, calico and cotton cloth, had stone quarries, kilns for the burning of lime, a malleable iron works, stave and planing mills and several machine shops; but it was in the main an agricultural town. Into it, as a market, came from the black acres all around, corn, wheat, hay, live stock and wool.

Such was Marion when young Daniel Crissinger began the practice of law and young Warren Harding, with \$150 borrowed, began his life as an editor and publisher.

Geographically, Marion was well situated. Cincinnati, Pittsburgh, Columbus, Cleveland, Toledo, Indianapolis and Chicago could be easily and cheaply reached by rail. Many other towns in the United States were equally as favorably located, but few of them possessed or were inspired by Marion's cooperative and self-confident spirit.

Marion today has 30,000 inhabitants. Between 60 per cent and 70 per cent of its families live in their own houses. Its silk mill gives employment to 550 women. Its steam shovel factory does business in Alaska, Canada and Mexico. Its working classes are steady depositors at its banks. Moreover, it has always been an open-shop town.

"Our remarkable number of industrial enterprises," Mr. Crissinger says, "are owned in the main and controlled by our own people."

The prosperity of Marion and its independence cannot be written without emphasized mention of Mr. Crissinger and President Harding—Mr. Crissinger first, because he taught his townsmen to put their money in the banks, so that it might be lent to the builders of homes and to merchants and manufacturers; then, second, President Harding, whose newspaper gave encouragement and publicity to all things that were of value to the community.

Young Crissinger, back from the university, became the partner of the lawyer in whose office he had read Blackstone, Chitty and Greenleaf. He was a Democrat in those days. After two years he was elected prosecuting attorney of the county.

"Clean it up," is one of his habitual phrases, which means: "Finish it, and get it out of the way."

"Boll weevil," is another of his common expressions, and is applied to specialists in hokum, to loose and slovenly thinkers, and to politicians whose eyes are on the galleries and

whose voices are tuned for the intellectual slums.

There were hints, after he took the office of prosecuting attorney, of shady work by the treasurer of the county. "I'll clean that up," said Crissinger, using for the first time a form of speech that was to make him locally famous.

"But you will hurt the party," he was warned by steady old Democrats whose bigotry and cowardice were only equalled by those of the steady old Republicans of the county.

A High-Power Cleaner-Up

CRISSINGER sent to Columbus, the state capital, for an expert accountant and investigator, who found that a deputy in the treasurer's office had been raising the amounts, due annually and semi-annually, from the taxpayers. The amounts were small in all instances and totaled, altogether, about \$10,000. But the scandal was tremendous. Marion teetered on its foundations. Democrats refused to speak to Crissinger. Republicans shook his hand, smiled and winked at him, and, chuckling among themselves, said that he was a fool.

The sheriff and the clerk of the county gave Crissinger a hand-picked grand jury. Sheriffs and clerks in those benighted times chose the grand juries, and the one selected for Crissinger, composed of fifteen members, was unanimously Democratic—so bitterly Democratic and so maliciously Democratic that not one of the fifteen would recognize Crissinger on the street.

Furthermore, three of Crissinger's uncles were on the treasurer's bond. The deputy pleaded guilty to the indictment that was reluctantly found, but the treasurer was declared to be innocent. This case made Crissinger solid in Marion. He was reelected prosecutor of the county and also was chosen solicitor of the municipality, an office he held for three terms on elections by the people.

Modern Marion, in its lights, pavements and sidewalks, dates from Crissinger's service as its city solicitor. Likewise he practiced law and built comfortable houses for the rapidly growing population of the town. Also he bought farms. He was a flourishing man in 1899—a pillar of the community. That was the year—1899—when Warren G. Harding, candidate for the State Senate, delivered his first speech at Bellefontaine, in Logan County.

Frosts had dyed the forests purple, brown, yellow and crimson. Corn stood in shocks. Red winesaps and lemon pippins hung in the trees. Golden pumpkins were on the slopes. The sun shone down from a perfect sky. A bracing bite was in the air. All of this was noted by young Warren Harding, as he motored from Marion to Bellefontaine.

"God pity the man who does not live in Ohio and in Logan County," said Warren Harding to himself, framing, as he rode along, a grandiloquent sentence for the speech that was growing in his mind.

In that speech was the sentence here quoted.

"If I had your gift of gab," said a Scotch-Irishman by the name of Pardee, to Warren Harding, at the end of the meeting, "I'd talk whenever I had the chance."

"I was youthful," Warren G. Harding once said to me, referring to his Bellefontaine debut, "and the feeling that I had any gift, even if it were only of gab, set me to thinking some not wholly disagreeable things about myself."

Thus is recorded the birth of another American orator. While Warren Harding was running for the Ohio Senate, Crissinger,

his friend, was engaged in planning the organization of the City National Bank of Marion. So they started, these two men, from the scratch, one in politics and the other in banking. With the Marion idea stirring in their minds.

As the years began and ended, Crissinger gained wealth and Harding fame. Crissinger was now a banker, almost exclusively.

At the time of Warren G. Harding's nomination for President, Daniel R. Crissinger was at the head of the National City Bank and Trust Company of Marion, a director of the Marion Steam Shovel Company, vice-president and a director of the Marion Union Stock Yards Company, treasurer and a director of the Marion Packing Company and a director of the Marion County Telephone Company. Besides, he was a stockholder in many other Marion enterprises and had long been buying hogs and cattle in the west and getting them ready for market on his Marion County farms.

"I have always believed in sound money," he told the writer of this article. Presumably, he voted for William J. Bryan on several occasions. At all events, he was the Democratic candidate for Congress in his district in 1904 and 1906 but lost both elections. By 1920, however, he was a Republican. Possibly the nomination of Harding, a neighbor, gave him a not unwelcome opportunity to take his stand where he thought he belonged.

The men of Marion, led by Crissinger, organized a club for the entertainment of distinguished visitors who came to their town on calls of respect or business on the Republican candidate. The overflow from the Harding home found food and shelter—ten governors at one time—at Mr. Crissinger's house.

"I want you in Washington," said Harding to Crissinger after the election. The country editor became President of the United States on March 4, 1921. The country banker took the oath as Comptroller of the Currency eleven days later. Only recently the country banker has been promoted by the country editor to the chairmanship of the Federal Reserve Board. The Marion idea, it will be seen, was brought to Washington in two sections, running like railroad trains, eleven days apart. Harmony. Helpfulness. Unity. Citizenship.

Yes, Sir!

AND common sense. "Yes, sir," said Mr. Crissinger to me, "I have stood and stand now and everywhere for sound money, sound finance, sound methods, sound practice, and sound sense." Said it vigorously, as if saying it softly would be an offense against patriotism and intelligence. His big chin looked bigger and his large gray eyes larger and grayer while he spoke. He has contempt for loose thinkers and rhetorical talkers.

"Lately," he said, "there have been evidences of a revival, in unexpected places (Detroit and Llewellyn Park, notably, although he did not mention them by name) of sentiment altogether too hospitable toward the old fallacies of cheap and unsound money. Sometimes they have been dressed up in attractive disguises. Some of them, indeed, have been so thoroughly camouflaged that it is hard to recognize them as merely the refurbished and modernized doctrines of 'Coin' Harvey, General James B. Weaver and 'Brick' Pomeroy. The struggle to maintain sound financial methods and a safe monetary system, is one which seems never to be quite won and ended."

"Brick" Pomeroy, in his *LaCrosse Demo-*

crat, General Weaver in his *Iowa Tribune*, and William Hope Harvey, in his "Coin's Financial School," circulated in 1896, and Sam Carey, whom Mr. Crissinger overlooked, candidate for Vice-President in 1876 on the Greenback ticket, saw the same mirages and held to the same delusions that are being seen and believed at this moment "in unexpected places."

The mirage and delusions are old stuff. But neither Pomeroy nor Weaver, Harvey nor Carey was a multi-millionaire. All were declaimers, each with a peculiar twist in his head. Their elocution, however, never took them very far into the mind of the nation. You see, they were not practical men, just spouters and scribblers; but they knew that Bunker Hill was not a battle of the Mexican War and that Samuel J. Tilden was not the writer of the Declaration of Independence. "Tilden! Tilden! Oh, yes. There is a party by that name in Ypsilanti."

The Marion Idea Nationalized

ALSO, it can be said that Daniel R. Crissinger is a steady man. He smiles and stands his ground while others run. The crises, wrecks and collapses which were bound to occur, by prophecy, after the World War had no terror to him. "We shall survive them," he said, "and Americans will be doing business at the same old stand, living on the same old farm, going down to the same old office, having the same wives and children as before." Which has been the case.

Likewise, it will be seen, Mr. Crissinger is a cheerful man, though as a listening lawyer and a scrutinizing banker he may not always have seemed to be. But cheerfulness is a part of the Marion idea. "This town is all right." And now this country is all right, as the President of the United States believes, in which opinion he agrees with the chairman of the Federal Reserve Board. All right in its institutions, in its sobriety and in its judgments, after a thoughtful consideration of the facts.

Still there must be industry, thrift and common sense. Profiteering is not common sense, on the part of bankers, manufacturers or merchants. Its immorality is still another matter. There is no shadow today over the prosperity of the United States unless it be a tendency for prices to go upward.

Should prices advance, there would be danger, Mr. Crissinger thinks, of another withdrawal of consumers from the market. The public, he holds, should be "invited into the market" and not driven out of it. There will be buying, then, and production, with factories in full operation and employment for all of the people. The consumer, it has been learned, does go into hiding. He will wear old clothes, old shoes and old hats, if he thinks he is not getting fair treatment at the stores.

When every one is "out to 'get his' first," business is in a precarious situation. Times now are good. It is the duty of business men to see that times continue to be good. Mainly, the matter is up to them.

And another thing: No American should carry an undue amount of money in his pocket. That kind of money is easily and unwisely spent. The place for it is in a bank, where it gives the owner profit, opportunities and standing, and the community needed capital for the expansion of business.

Concerning the mendicant countenance and the outstretched palms of Europe Mr. Crissinger says: "We want to help, but we are determined not to be imposed upon."

The Marion idea, now in the process of nationalization, is, it would seem, worth watching.

Speaking About Food

By HUGH J. HUGHES

Director of Markets, State of Minnesota

WHEN THE Stonehatchets invited the Flintspears over for dinner the repast took on the nature of a religious festival for the sufficient reason that it recorded the thrusting away of famine for at least another week. Savagery and hunger are Siamese twins, and our march upward is measured in good part by our ability to gather and hold food.

How slowly the race learned! Imagine the ages that passed between the time that milk was first drawn for human use and the day that butter was first churned. How long it took to teach mankind what things were good to eat and what things were not good. Did not my own grandmother teach me that tomatoes were poisonous, and that cucumbers, unsalted, were taboo?

When the Flintspears went home the Stonehatchets were eaten bare, and another struggle against hunger was their problem. They had learned how to cook food, but they had not learned how to store it, and when it was gone they starved. Slowly here and there little groups of men learned the secret of food saving; how to store seeds and nuts and dried fruits against a time of need; that goats and sheep and cattle are food always ready when needed. Before the white man came the Indians of the upper Missouri stored their seed corn from season to season, enough for three years' planting. And when this much had been learned the march toward civilization began.

With the storing of food came the dawn of trading—ships that crept along the shores of the seas and up the rivers, and the long files of traders who blazed the trails where modern commerce now runs.

I can remember, less than fifty years ago, when it was still the custom to go to the mill in the fall with the annual grist, tie out the horses, and help the miller grind the grain, giving him as his pay a part of the flour and feed.

The last hundred years have witnessed the invention of the harvester, the roller process of flour manufacture, and the establishment of all our modern agencies of market distribution. Before that excess and deficiency, feasting and famine.

Our forefathers had two main ways of curing food—they dried it, or else it was cured in salt or spices. And it was for this very purpose of curing that some of the greatest adventures of days gone by were undertaken. It was to reach the Spice Islands that the

ships of Hiram of Tyre belied their sails



No, they don't just stick things in refrigerators and expect that they're going to "keep." Fruits, especially, are temperamental. Each has its own whims as to temperature and moisture. The photograph shows one of Uncle Sam's young men of the Department of Agriculture experimenting to find out the ideal cold storage climate for tomatoes

before the winds. It was to short-cut to these same islands that the caravels of Columbus sailed. Battles have been fought and won for salt mines, and a dynasty was hurled from the throne of France because, among other things, it taxed the people for their salt.

But we have found other ways to widen our food supply and extend its season. Ahead of the sleepers on a train I was on not long ago were three cars rushing through the ninety degree temperature iced to something less than forty degrees, carrying fish from the fiords of Alaska to the restaurants of New York. Caught months ago, chilled at once, and put away with a glaze of ice over each separate fish, they were on their way to another cold storage warehouse on the New Jersey shore. From that place of safe keeping the butcher in Manhattan secures his daily supply of salmon.

Come with me into a cold storage plant. It's an interesting place. Also a cold one. Its artificial winter is graduated all the way from mere chilliness suitable for the keeping in proper condition of oranges and apples to Arctic temperatures of fifteen or more degrees below zero.

In reality it is a great box, its walls insulated to keep out the heat or cold. A blast of winter strikes you in the face when you enter. If you are wise you will have come provided with an overcoat and mittens.

Down in the basement great engines are humming. Huge pipes lead from there to the storage rooms; on some of these the frost has gathered. This is the heart of the plant, and either ammonia or brine is being

pumped through the pipes furnishing the winter atmosphere at the exact degree required for the individual commodity in each separate room.

You recall how cracked ice and salt composed the freezing solution in which we made our ice cream before we got high toned and began to buy it down at the Greek's? The cold storage plant applies the same principles—absorbing the heat. And it goes the ice cream freezer one better. Two better, in fact, for by simply opening and closing valves the heat, or rather the degree of cold, can be gaged to the fraction of a degree; and by a similar process the amount of moisture in the air, a most important factor in the storing of food, can also be regulated to a nicety.

Did you ever look at the skin of an apple through a microscope? It is covered with myriads of breathing pores through which the moisture of the apple slowly escapes, just as our bodies visibly give off moisture on a hot day. Now put this apple into a room cooled down near to the freezing point and these pores contract, just as our own do, and the apple "breathes" more slowly—but it does not quite stop giving off moisture. If, in addition to the cooling of the room, the air is supplied with just the right amount of moisture, this drying-out process will be still further checked, and an apple kept under these conditions will retain its weight and its flavor for months beyond the natural ripening period.

But all the time there is a slight change taking place in the apple. It is slowly ripening even under the best of storage conditions,

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so the orchardist goes out and picks the finest of his fruit, packs it carefully while still in a well-advanced green stage, and forwards it to the cold storage warehouse for holding, knowing that when it is taken out of the cooling room it will quickly ripen and give to the table of March the tang of September.

And there are two things to remember—about apples and about things other than apples when held in cold storage. Cold storage doesn't and can't improve the quality of the stored food, except where, as in the case of meat, the tissues undergo a mellowing. A bad egg doesn't get better with length of storage; and a poor apple or orange doesn't gain in quality. The wholesaler who buys for storage knows this fact and makes his purchases accordingly. The pick of the orchards is chosen for storage, and the select eggs, and the best fowl, and the choicest meat.

One reason for this selection of the best is the fact that storage, while it is cheap, adds to the price of the article, and the buyer, realizing this fact, wants to be very sure that what he places in cold storage will come out in good market condition.

Still another reason is the fact that many of the states have rigid cold storage inspection laws, and the man who is caught with bad food in storage is the sufferer to the extent that the food is taken and destroyed.

All these things run together to make the quality of cold storage food high—higher, as a general rule, than the quality of the food sold on the market as direct from the country.

The Story of a T-Bone Steak

TAKE that order of meat, for example, sent up from the butcher's—a T-bone steak for each member of the family.

It represents the *n*th degree of food handling and control. To get that T-bone steak men have been working for the past hundred years developing the right kind of a steer with the proper depth of flesh and the ability to lay that flesh on at a low cost per pound. From the highlands of Scotland and the valleys of England and the high plains of America the best of breeding and the best of feeding are gathered together to make a choice steer.

Arrived at the stockyards the steer is weighed and passed on to the killing room. It is killed, and dressed, and each part of the body inspected and stamped by United States inspectors as fit for food. The carcass moves along an overhead track into the cooling room—a room not quite down to freezing in temperature, and in this room the natural heat of the body is removed. If this cooling were hurried a little too much, the outside of the body would cool off, the pores would contract, and the body heat, locked up near the bone, would cause the meat to sour.

But no such chance is taken, and the carcass, now thoroughly cooled, goes to the "chill room." This is a room decidedly cooler than the cooling room, and here the carcass hangs for a few days, or at most for not more than a month, while waiting its turn to be shipped out to the "trade."

At last the order comes, and a refrigerator car is rolled under the shed. It is iced for a day-and-a-night journey down into the manufacturing district of Ohio perhaps, where a branch house of the packing plant is located. It arrives in good time, everything in good condition.

Out of the refrigerator car comes the meat, and back again into another cooler just below freezing, where it is kept for the one or two or three days that pass before the butcher sends up his order for a choice quarter.

The immediate effect to the consumer of the development of cold storage is that it opens up to his kitchen the farthest pastures and fruit fields of the world. In fact it makes these pastures and fruit fields possible, and by joining them to the retail store and the family larder it banishes forever the old-time danger of famine. What is more immediately interesting to the average pocketbook, it does this at an actual lowering of the price of food.

In the "good old days" eggs were cheap, "I've sold 'em for five cents per dozen, and swapped eggs for sugar at that."

"Nothing like that now!" exclaims the housewife.

Nothing like that, to be sure, but on the other hand you can always buy a dozen fine, clean storage eggs at the grocer's at a price that makes eggs, not a luxury for Easter and a cheap food in summer, but an everyday-in-the-year table food.

This has had the effect of building up the poultry business to a point where all real danger of an egg famine is done away with.

Both cheese and butter tell the same story. From the cooperative creameries of northern Saskatchewan to the great butter factories of the Minnesota-Wisconsin-Iowa group of states, and on to the York-State-New England centers of demand, the whole continent is held together by the power of storage to hold over from the seasons of harvest to the seasons of lack the butter and cheese needed to feed the nation.

When we learned how to handle heat and cold, and bottle them up, and turn them loose, we abolished winter, and we made it possible for summer to linger with us all the year long.

And how we have widened our table ration!

Here are a few of the things that we now buy at the store, fresh both in season and out of season.

Eggs, butter, cheese, poultry, fresh and cured meats, celery, lettuce, and all kinds of fresh vegetables, apples, pears, oranges, lemons and other citrus fruits, dried fruits, fresh and salt fish, berries and small fruits, etc., etc.

The World Our Garden

THIS means that we have annexed every part of the known world and made it our garden. We speak to the farmer in Asia Minor and he sends us figs, to the herder in Australia and he sends us mutton, to the dairyman in Minnesota and he ships us but-

ter, to the planter in Costa Rica and he picks us a select order of tropical fruit.

And this wonder has become so commonplace that I have to sit here and tell you about it!

There is a popular idea that somehow cold storage is used to hold up the public and to gouge us in the prices we pay for our food. I am not going to say this never happens, but I will try and tell you what usually happens. And it is this: We use a lot of eggs in the course of a year. Families, hotels, restaurants—the demand is fairly steady.

But the hen has never been trained to year-round production. She is satisfied to do the most of her egg laying in the spring. So it happens that egg production moves northward with the advancing season. Some time in early February the hens down in Old Missou set up their cackle, and the egg crates begin to roll in toward Kansas City, St. Louis, Chicago, the East.

Later in the season the hens of Kansas and Iowa take up the chorus. Eggs are becoming cheaper now—more plentiful. In March, Wisconsin and Minnesota join in, and for a few weeks the full tide of the nation's egg harvest is on, all the way from Arkansas to the Line, and from the Rockies to Maine.

The Egg Harvest

OUR old friends Supply and Demand are running a most unequal race, and Supply is gaining at every jump.

Meanwhile the egg harvesters are busy. Every country hamlet is sending up to the cold storage centers its supply—its oversupply—of eggs. This oversupply is checked over as to quality, and the best of it is put into storage against the season of shortage.

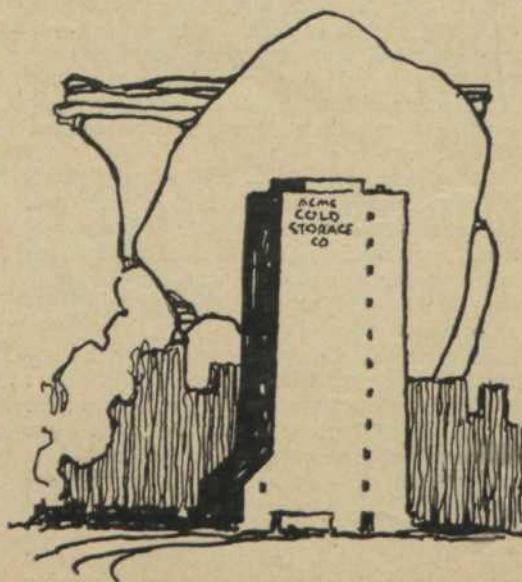
In the business of buying, the cold storage houses are not ordinarily concerned. It is their business to sell cubic feet of space, and degrees of cold, and percentages of air humidity—not to buy and sell food.

So the dealer whose lifelong business it has been to buy and sell eggs comes and rents space of the warehouseman, takes his storage receipt, and goes his way.

At length comes the turning of the year. The harvest of grain comes and goes. The frosts nip the pastures, and like magic the egg production drops away.

Then the dealer who has been in the business all his life gets busy. He has his retail trade to care for—clients of his who have depended upon him year after year for their supply. He sells to them, and, if his holdings are more than they will require, he is out on the street every day looking for new customers. He is not "hoarding" eggs—not by several jugfuls! He is selling all the market will take at a profit to himself, and sometimes he cuts the margin of profit to nothing. And along in December or January he closes out his deal with the cold storage warehouseman and begins buying, down in Arkansas, perhaps, for the winter to come.

That is what happens in the egg market, and the same thing is approximately true for any other line of produce that is stored over from the time of harvesting to the time of lack. Somebody has to put up the money to buy the crop and someone has to take care of the carrying charges. When the crop is large or when the public mind is stirred there are always apt to be rumors of "hoarding." But actual instances of hoarding boil down to a very few made up of the inexperienced who overstay the market and the speculator who gambles his roll against the onward march of another harvest.



America's Most Important Street

By HARRY BOTSFORD



"Main Street," running from coast to coast, and not Broadway, is, after all, the backbone of the nation

SOME PHASES of history have an unfortunate habit of repeating. Twelve centuries before Christ I suppose a few swaggering warriors of the Ming dynasty made uncouth mockery of a town then known as Ki and now the mighty city of Peking; by the same token I suppose at later periods of history there were some who scoffed at the other great but small places—say, back in the days when the man about town paid good gold for blades from Damascus and Toledo; when men bought pottery and porcelains for their women at Delft and Sevres—and cutlery at Sheffield.

I suppose that these *valiant folk*—soldiers, gamblers, honest citizens and traders—oft remarked that these cities were "tank" towns and smelled to high heaven of all of the taint and unloveliness of Main Street. As I said, history has the unhappy habit of repeating—today I find, literally, there are thousands of solid business men who fail to realize that Main Street is the most important avenue in America—people, sane and sensible in other respects, who believe there is no good in the small town and that all brains, enterprise and business vision is confined to the larger cities.

I had breakfast a couple of months ago with such a man. He is a good business man in many respects; he is engaged in a small manufacturing business in Pittsburgh. I am afraid that his business will always be small, for he is not a man with breadth and depth of vision. I asked him what proportion of his sales were confined to small towns. He smiled quietly and with supreme and naive egotism told me that his salesmen were instructed to keep away from the small towns and to confine their efforts to the larger

cities. "There's really no worth-while business to be picked up in these confounded tank towns," he concluded. "They are afflicted with Main Streetism—behind the times and far from being progressive."

There have been times when the writer has been accused of having a sense of humor. On this particular occasion I thanked the Lord for that sense of humor. As it was, it prevented me from saying several things to this so-called business man who professed such deep contempt of small towns. There were so many things on the tip of my tongue!

I had ridden down town with this man in his machine—the machine had been made in a tank town in Indiana. We had stopped at a filling station equipped with a Fort Wayne tank, and he had Oil City gasoline and oil placed in his machine. At breakfast we were seated in chairs at a table made in Elwood or Napanee, Ind. We had fruit which came from Fresno and bacon cured and marketed in Canajoharie, N. Y. Our honey came from Medina, Ohio. Our fruit had been chilled in the depths of a refrigerator made in Niles, Mich. At that very moment we were puffing contentedly on cigarettes made in a little North Carolina town by the name of Winston-Salem. Small towns! Main Streets! Why, our very lives reek of the business and enterprise of these small and hustling burghs.

Presently my breakfast companion left for his office. When he got there he probably rode up to the fifth floor in an elevator made in Coatesville, Pa., and seated himself at a desk made in Napanee, Ind., and called for some correspondence filed through grace of a firm in Benton Harbor, Mich.

Strange that this man failed to realize the vital importance of the small town. His un-

derwear was probably made in Winston-Salem; his socks in St. Joseph, Mich., and his shoes in North Abington, Mass., and his trousers held up by a nationally known suspender made in Shirley in the same state. This man can afford the good things of life—hence he owns a watch that is made in Elgin, Ill., and the chain draped across his ample vest was made at Attleboro, Mass.

This man's car is equipped with a bumper made in Waukegan, Ill., and he signs important contracts and letters with a super-fountain pen made in the same state in a little tank town called Janesville. His home is heated with a heater made in Hamilton, Ohio, and his house is furnished with goods which are made in small towns. His youngsters wear rubbers made in Mishawaka, Ind., and play with toys made in a little town in the New England states. His oldest son attends Notre Dame University and plays an Elkhart saxophone.

Queer, isn't it? Here this man has been paying tribute in terms of dollars and cents to the so-called tank towns all of his life, and yet he fails to admit the importance of these little places.

Of the 12,000 national advertisers in the United States a large percentage are small town industries. Two decades ago—yes, even one decade ago—many of these small towns were unknown to the world at large, but advertising plus a well-made product has brought these cities to the front.

With Mishawaka, Ind., as a center, within a radius of 50 miles there is a group of small towns known from one end of the country to the other. One could group, in this lot, Mishawaka, famous for its power transmission machinery, its radio products, its indestructi-

ble baggage and its rubber footwear; South Bend with its plows, fishing tackle, underwear, automobiles, farm machinery, mica, watches, sewing machines and other nationally advertised products; Elkhart is famous as the home of three of the largest manufacturers of musical instruments and a patent medicine and two makes of automobiles.

Napanee kitchen cabinets are known by housewives all over the world and the business furniture it makes so well, and farmers swear by the silos made there. Refrigerators, nationally known, are made in Kendallville and in Niles, Mich., both of which are covered by our 50 mile scope. The schools of Valparaiso, Culver and Notre Dame and St. Mary's are nationally known and famous for the quality of education dispensed within their walls. Goshen stoves are standard kitchen equipment in thousands of farm homes, and stockings and socks made in St. Joseph, Mich., are sightly and long-wearing.

The tractors and threshing machines made in La Porte are sold all over the world, and the business world uses millions of dollars worth of filing equipment made in Benton Harbor in Michigan. The fishermen of the world swear by fishing tackle made in Dowagiac, Mich., and each year their output helps to deplete the supply of bass and other game fish. Thousands of t. b. m. recline, after dinner, and read the evening paper in the easy and very comfortable chairs made in Sturgis, Mich.

I have selected this particular locality, not because it is unusual in any sense, but rather because it is almost representative of any similar coverage in any fairly well populated state in the union.

Select any one of these "tank" towns and it may present to the eye a sleepy appearance—typically Main Streetian in appearance. Take the little town of Mishawaka, for example. To the casual observer it has the dingy look common to many towns; its business section is ordinary in appearance; it seems to have the usual number of banks and pool rooms. It has a population of only 20,000. Its streets are none too well paved. It has a small country club and one hotel. In a word it is a typical "tank" town—American to the core. Yet men of vision have lived there and still live there—the biggest power

transmission factory in all the world is located there, the first insured trunk is made there, and a great factory makes some of the finest rubber footwear made in the United States. The only successful phonograph for theater work is made in Mishawaka, and the same little city is now making a brave bid in the radio field.

The citizens of this little city are probably no better nor any worse than those in any other city of a like size. The little city has its petty scandal, its political battles are especially bitter, and hints are dropped now and then that there is a certain amount of bootlegging going on within its corporate limits. Just an average town in every respect! Yet that little town has made business and industrial history; its payrolls for a month count into the millions, and each year a million or more dollars are spent by the various industries in advertising their products.

From the standpoint of importance, the small town, with its long and sometimes dismal appearing Main Street, is not to be snickered at; it is more than a section of a big city, for it is a unit in itself.

Breeding-ground of Ideas

I DISCUSSED the importance of the small town with the advertising manager of a nationally known literary journal the other day. He is for the small town—emphatically so. "I have thirty-nine solicitors under my direction, and most of them direct their energies toward the small towns. In my ten years of experience I have found the small town manufacturer to be unusually receptive to aggressive merchandising ideas. Frankly, this magazine couldn't exist without the business we secure from these small towns. For that matter, industry and business would close shop without the small town markets for their goods and without the raw and finished materials they secure from the small towns. Ideas seem to breed in the small towns and high ideals are the rule rather than the exception. We seldom find small town business men who resort to sharp or unethical practices."

If you are one of those individuals who has long held to the belief that the world rotates from an axis of Broadway or Mich-

igan Avenue or some other street, make a little analysis and you can disprove your theory. Start in your own home—begin with the heater in your basement, the grape juice and ginger ale in your cellar, go up into your kitchen and notice where your kitchen cabinet was made. Where is your kitchen stove made? The curtains at the windows and the hardware in cupboard and the aluminum ware your wife prizes so highly—weren't they made in a small town?

Your silver probably came from Oneida and most of your furniture from Elwood, Ind. How about your rugs, your beds, your book cases, the roofing on your house? Perhaps even the lumber of the house itself came from a small town. Your car? It wasn't made in Detroit, there's a multitude of small towns that manufacture superlatively good cars. Your tires, if not made in Akron, may have been made in Jeannette, Pa. Do you own or work in a store—how many of the units you handle are made in a small town? Perhaps your counters and show cases were made in the little town of Niles, Mich. Incidentally, you might also remember that Ring Lardner comes from the same town.

How many articles of clothing do you wear that are made in the little "burg"? Just make a little investigation on your own hook, if you are at all skeptical, and you will be convinced that your theory has been wrong.

The small town deserves your respect, and so does the small-town manufacturer and business man. Small-town people are only "hicks" in the small and mean minds of those whose flash judgments carry no weight. Main Street is the most important boulevard in America; it gives the world honest and dependable goods. It is the home of men and women of vision and high ideals—the despair of the radicals and the very backbone of the nation. Even the executive head of this nation comes from a "tank" town—Marion, Ohio. If my memory serves me properly, a number of other Presidents also came from small towns—very Main Streetian cities.

And finally, I find that the paper on which I have written this was made in Erie; and the money which I will receive for this outburst will be spent in a small town which I am proud to call my home.

Backing Up Your Congressman

WASHINGTON, D. C.,

April 5, 1923.

DEAR ED: So Maryella Hopkins wants you to take pen in hand and ask your congressman to support some bill to raise teachers' pay, and you want to know what's it all about, and shall you write Hinkle as per instructions from Maryella, and do I remember Maryella?

Do I? I remember the night she was married, and so do you. I helped you hook the ice cream off the back porch. She was supervising the universe then, and I'm glad to know she hasn't stopped. I'll bet Egbert Hopkins never was called anything but "Maryella Hopkins's husband" from the time he said, "I, Egbert, take."

But to get down to cases. She's on the war path for the Sterling-Towner Bill, which, strictly speaking, no longer exists, because it died when this Congress did; but it won't stay dead. There's too much clamor for it,

Being a letter from Washington to Edward H. Skinner of the Skinner Machine Tool Company, Kensington, Indiana

and it'll bob up in December as big as life and twice as natural.

The folks that are boosting the plan are saying that our school system as a whole has broken down and that our teachers are underpaid. I'll string along with 'em on that last statement, but I'm not so sure about the first. Mind you, I'm not up here yelling my head off for the Little Red School House and the Three R's, and like most other ordinary American citizens, I was startled by the figures that blew in with the draft, showing

how badly equipped this country was, mentally and physically.

But I don't think that the way to cure the trouble is to unload the job on the Federal Government. These Shriners (are you coming on?) that have a convention here in June, have a slogan:

"Park your camel
With Uncle Sam'l."

That's the state of mind of a whole lot of folks in this country. They figure that the way to fix up anything that's wrong is to park the job with the Federal Government, but they don't always figure that the bill must be paid just the same.

I'll bet you don't know a darn thing about the bill anyway, but you were probably going right ahead to endorse it for two reasons—to get rid of Maryella, and because you were willing to help along a boost of pay for teachers.

But here's what the bill does: It makes

a new Department of Education with a Secretary and the rest of his trailers, and it provides for spending a hundred millions a year by the Government like this: Half of it for "equalizing educational opportunities" (which means, say the bill's backers, more pay for 600,000 teachers); \$20,000,000 for physical education; \$15,000,000 for training

Constitution, but maybe we'll get back to 'em yet.

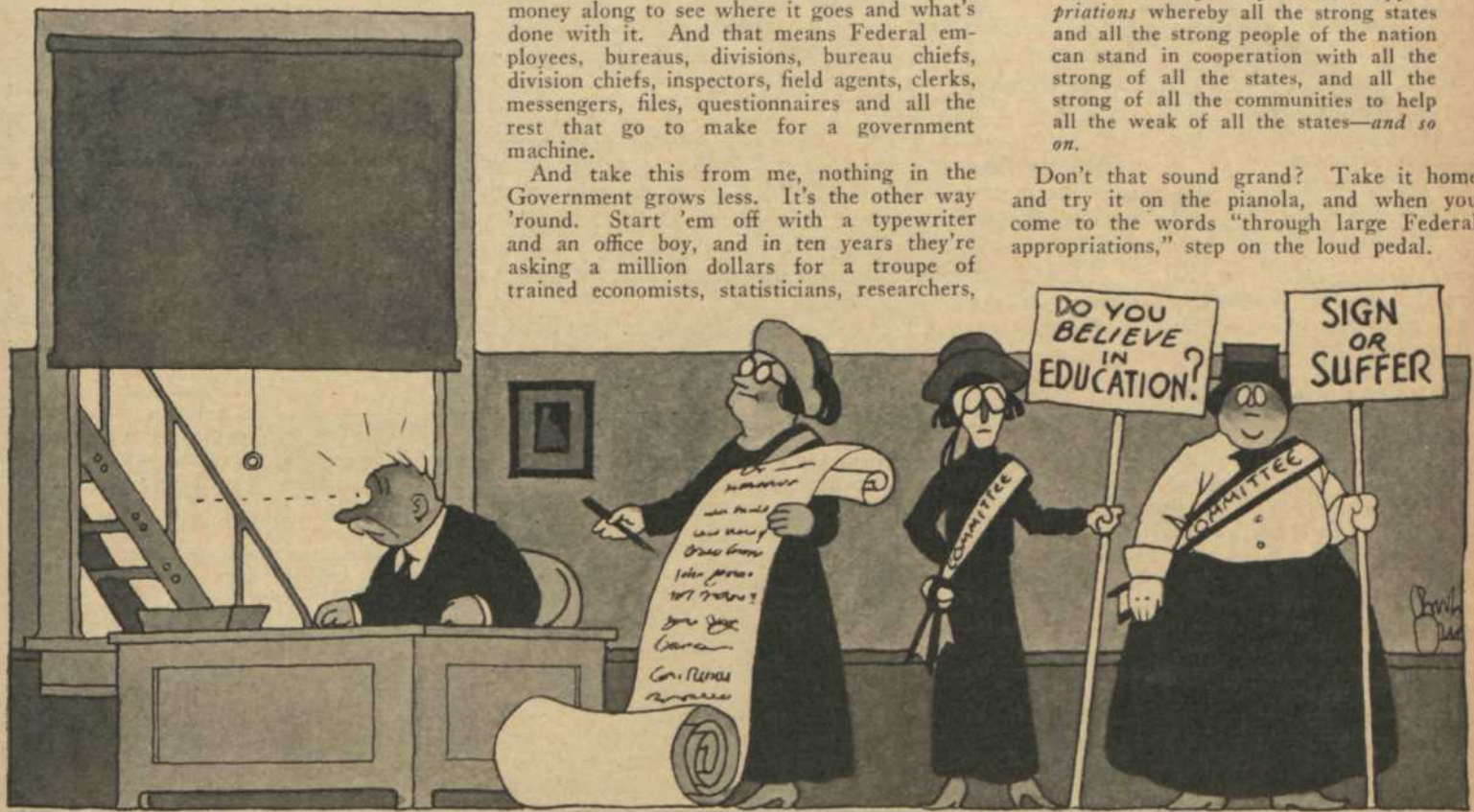
Of course, the folks that are pushing the bill say it doesn't mean that the states will surrender any of their control over their own educational affairs. But, listen, Ed! You know, and I know, that if this Federal Government starts scattering money out among the states, it's going to follow that money along to see where it goes and what's done with it. And that means Federal employees, bureaus, divisions, bureau chiefs, division chiefs, inspectors, field agents, clerks, messengers, files, questionnaires and all the rest that go to make for a government machine.

And take this from me, nothing in the Government grows less. It's the other way 'round. Start 'em off with a typewriter and an office boy, and in ten years they're asking a million dollars for a troupe of trained economists, statisticians, researchers,

hat. One of the arguments for this scheme is that in a country as big as this it's the job of the strong states to help the weak ones. Here's the way the orator reels it off:

In a nation like ours there can be nothing approaching equalization of educational opportunity without co-operation with the states and the communities through large Federal appropriations whereby all the strong states and all the strong people of the nation can stand in cooperation with all the strong of all the states, and all the strong of all the communities to help all the weak of all the states—and so on.

Don't that sound grand? Take it home and try it on the pianola, and when you come to the words "through large Federal appropriations," step on the loud pedal.



"On the War Path"

public school teachers; and \$7,500,000 each to wipe out illiteracy and for Americanization. Nice round figures, and mighty good purposes.

All this is "fifty-fifty" stuff, the states to give as much as the Government. That's one way this idea is sold: "Come on, boys; give a dollar, and your Uncle Sam will match it." Don't it sound easy? Of course, you might recall that both dollars come out of your pocket.

That \$100,000,000 isn't much, Ed—not if you say it quick and figure that it's less 'n a dollar each for every man, woman and child. But, you know, that ain't the way taxes are paid. If they were, your share of the income tax would be \$10 each for yourself, the wife and that one kid of yours. I don't know how the tool works did last year; but if what the folks around the store say is half true, I'd like to have the difference between \$30 and what you gave your Uncle.

But don't get away the idea that I'm losing sleep over your having to pay more taxes for better education in these well-known United States. I'm not. But I don't like the method. I don't like this idea of

"Let the Federal Government do it."

What would that ancestor of yours who came over on the *Mayflower*, signed the Declaration of Independence, and wrote the Constitution, think if he knew that there was a move on foot to put a Department of Education in at Washington, and to give the Federal Government a hand in running the schools at South Wigglesworth, Mass., or wherever it was that he wrote and signed those immortal documents? I know it's bad form to worry about the Fathers and the

clerks, typists, clerk-typists and heaven only knows what.

You can't make me think, Ed, that the way to better education in this country is for the states to holler for help from Washington or to begin turning part of the work over to Uncle Sam.

I'll quit this letter pretty quick, but one thing I want you to get stuck under your

What Should You Know About RETAILING?

Our recent and present contributions to the discussion of the problems of DISTRIBUTION have given rise to an insistent demand on the part of a great many of our readers for further articles on the great subject of retailing.

We gladly comply, and can tell you now of two articles soon to be published in *THE NATION'S BUSINESS*; one by a western retail executive telling what is in the back of a customer's mind while the buying or selling or unselling process is taking place—the other by an eastern man, telling what one city has done to clean up certain pernicious retailing practices.

I don't know that I quite get the idea that some of our states are sort o' pauper states and need to be supported by those that are better off.

I've only told you a little about what I think, but now I'm back where I started. Don't you go and march along with Maryella Hopkins or anyone else unless you know a little about what you're doing. The easiest word in the world is "Yes," and the hardest one "No." If it weren't, most men wouldn't be married, I suspect.

And don't think you're doing no harm by lending your name. Remember when you wore long hair, and your mother curled it over her finger, and you stood up and recited:

"Little drops of water, little grains of sand."

Well, that's all true, and little signatures to petitions and letters to congressmen all mount up. So that's why I say if you know what you want or don't want, tell the congressman, but for heaven's sake don't just be one of the "yessers."

I gather from your note that old man Hinkle will be reelected all right. I'm glad of it. I've always said no congressman ought ever to be elected until he's served four or five terms. About then he begins to figure.

Hinkle's all right. The first time tobacco ever made me sick was when I swiped a campaign cigar he gave my old man when he ran for state senator. That was twenty years ago, but I'll bet I'd be sick all over again, if I tried to smoke the mate of it now.

Yours,
HOWARD.

No Inflation; Only Fear of It

By A. D. WELTON

Of the Continental and Commercial National Bank, Chicago

FASHIONS in business conversations are fickle. They change over night. Presently there may be an end to the discussions about inflation and over-expansion. The dire consequences of these business maladies are still fresh in the mind—so fresh that success is instantly put under the microscope and prosperity is carried off to the laboratory for a blood count. And the discussion goes on, bringing to light much loose talk and conclusions drawn from premises only half thought out.

Of course, this method is not wholly objectionable; it even has a value. It raises the hope of avoiding the penalties of inflation. It may be the great means of flattening out the curve of expanding business and substituting for a sharp rise and a steeper descent a fair table land of prosperity and safety. The hope is the stronger because, mingled with the fallacies and the fiction, there is a deal of accurate analysis and sound reasoning.

Business, fortunately or unfortunately, yields slowly to artificial stimulation or restraints. It contains within itself the means of increasing its volume or checking its growth or holding safely for some time. It provides its own punishment for over-indulgences.

It is not important to restate the truism that the peaks and valleys in the curve of business bear a close relation to each other. The discovery of interest is the slope, the height and the depth of those peaks and valleys. And the interest is greater in the prospect than in the retrospect. The business problem, then, as fashion has set it, is whether or not the high peaks and deep valleys can be smoothed into a level surface of reasonable stability and duration.

Business is, however, a great mass of transactions. Like all masses, it is made up of many units—an infinite number of small, individual transactions not particularly related to one another, and not recognizable when they once become part of a statistical result. Each transaction which is a part of the statistical mass has its *raison d'être*, almost invariably profit. It is under the influence of the psychology which operates in profit-making. With a profit in sight the business man will not stop to ask about the influence of that particular profit on inflation, on statistics, on prosperity, or on the mass of business. His conduct cannot be controlled. It is not susceptible of control. He can be stayed only by the stopping of his credit or by the failure of the purchaser of his goods to take them or to pay for them.

The Psychology of It

THE transactions noted must be multiplied thousands of millions of times before they reach a statistical result; and until the statistical result is obtained, effective remedies may not be applied; or, rather, the corrective influences will not set themselves to work.

While this statement seems generally correct, there are certain preventive measures which may be taken, mostly psychological.

LAST MONTH George E. Roberts of the National City Bank summed up business conditions in this country and spoke of reason for apprehension that the country may be on the verge of a period of credit and price inflation.

"How do others feel?" was the natural question, and we turned from New York to Chicago to ask. Here are some sentences gleaned from the answer which A. D. Welton of the Continental and Commercial National Bank has prepared for us:

"The barometers of business show no present inflation. . . ."

"There has been an increase in industrial output, but production has been against actual orders."

"There is apparent no dangerous accumulation of stocks."

"Prices have not increased alarmingly."

"There is now no inflation. There is only the fear of it."

Business men may restrain themselves. They may yield to fear. This opens the way for accusations of conservatism.

The other day the head of a big motor factory refused to increase this year's output of cars from the 60,000 planned to the 100,000 urged by his dealers. Profit was apparently not the matter that interested him. His control of his business is statistical. He must study other kinds of business in order to know his own. He must study conditions as they are, that he may measure them as they will be. He is not a prophet, but he has learned that when certain things in the business situation are so, other things have always happened and probably will in this case also.

There are many large concerns whose managing official exercises this same statistical control, and who knows the same things as the president of the motor company mentioned. If all of these, or enough of them, were of the same mind as to the situation, the effect on the scheme of business expansion would be favorable for the moderate restraint that would prevent harsh changes.

If many of the smaller operators could be influenced—or enough of them were persuaded that extreme expansion of their business was dangerous—they would perhaps be more conservative. They might not wait for their bankers to justify the economists who are already pointing to what may happen if the rush toward expansion becomes headlong.

The banker, it may be said, comes too late on the scene for prophylactic purposes. He is the surgeon who cuts, not the guide who prevents. The banker may save himself from losses by acting on his judgment of what the future holds, but he cannot always—and does not always—refuse credit because he fears inflation. It may be a perfectly good loan at a profitable rate. And the banker is not eager to offend good customers of unimpeachable credit standing. The responsibility is the banker's to apply remedies; it is not his to prevent business men from going forward, and he couldn't do it if he wished to.

Preventive measures call for prophetic skill, or something approximating it. Business is always planned for the future. Producers of many things have not only measured the markets for next fall; they have made and sold the goods for fall delivery. Retail distributors have bought them. Banks have

made loans against this business also. They will continue to make loans against it until the consumer, who destroys the goods as merchantable commodities, has provided the money for liquidating all the obligations incurred.

This process is repeated in varying ways and in varying degrees in hundreds of lines. Inflation is, then, a prospect long before it becomes a reality.

What is inflation, and what is an inflated condition? Obviously it is a matter of comparative significance. The increase or expansion of the volume of business is necessary to the realization of the comparative state which distinguished prosperity from adversity or better times from good times.

In the terms of the business cycle, the country has crept up out of the valley of depression and is now climbing joyfully toward a height which may be called activity. There is certainly nothing deplorable about that. Why, then, the talk of inflation?

Recent experience with their fruitage of fear is one answer. To this must be added the great advance in business science—in the understanding of economics. In the progress toward this understanding, due to better business organization and larger statistical bases for information, there are, as always, a number of persons who have acquired only the little knowledge which is a dangerous thing. In this, fear has taken root.

What Is Inflation?

INFLATION must, therefore, be defined. It seems that the only proper definition is about like this:

Inflation is a condition in which money and bank credit with which goods are purchased have increased more rapidly than the volume of business.

It is a fact, not a theory, of reserve banking that credit, whether expressed in terms of bank deposits or Federal Reserve notes, is in a sound condition when there is value in goods back of every dollar, and sufficient gold for reserve purposes.

Business has not yet overreached that condition. It may not reach it. There is no particular reason why it should reach it.

If there is real value in merchandise back of bank loans, there is safety, provided the orders for the merchandise are not to be cancelled and the goods are merchantable.

The utilization of latent credit resources for purposes of commercial expansion is just as dangerous. During the war these latent credit resources were drawn on heavily and turned into Government bond issues. For a long time these bonds were made a preferential security, loans against which commanded a lower interest rate. There could be no finer road to inflation. The recipe was:

Mix the mortgaged earning-power of the people with a Government guaranty of payment. Bake it into a Liberty bond. Turn the product into commercial and credit channels, and watch prices jump.

The Liberty bonds still exist. The

country's gold stock is still high, and still the reserve condition of the banks is calculated against this gold reserve with 40 per cent, mentioned in the Federal Reserve Act, as a sort of arbitrary danger line.

Under present conditions it is hardly a danger line; it is a distress point. It is still far away—far enough away to indicate there is no present cause for alarm, but without present significance as to the future. An increase in the rediscount rate or rates of the Reserve banks would, therefore, express not a present large or excessive demand for loans, but the opinion of the rate makers that such a demand is likely to develop. There is a reason.

Business, making commitments for the future, has future demands for funds. Before this demand gets to the Reserve banks, it must get into the commercial banks. There is a gap between the time of the contracts of sale and the commitments to the commercial banks. Another lapse comes before the transaction produces a rediscount at the Reserve bank. Business now in process may not be expressed in terms of a bank discount for several weeks. It may not cause a rediscount for several months. An advance in the rates now would hardly be effective to stay business ambition. If it comes several months from now, it would hardly correct the mischief for which the seed was sown months before.

However, anticipatory fixing of the rediscount rate should be the order. And it may be done with as much precision as careful study of conditions, knowledge of seasonal variations in trade, and experienced opinion, may give. Certainly there is no other way to express effectively a warning to business. But if the Reserve banks were to raise their rates now, it is doubtful if business would give much heed or be much affected. The stock market would be in a flutter, and the business world would gossip, and presently everything would go on as before.

Just now credit resources are ample. Rediscounting is not the rule. The effects would be only moral, and the rate an expression of academic opinion—perhaps. The Reserve bank authorities have not established themselves as mentors. The banks have not won for themselves a reputation for either prescience or accuracy. What is the rediscount rate? Something that banks pay for various kinds of loans.

But the rediscount rates of the Reserve banks are lower than the rates charged their customers by member banks. In other words, the rediscounting member bank can make a profit by rediscounting. It buys its funds for $4\frac{1}{2}$ per cent and sells them for five or even six. And yet it is expected that the commercial banks will impose obstacles to loan expansion. Possibly it is surprising that they apply the brakes at all. However, they do; but the deterrent force with each of them is its reserve position.

So, apparently the reserve position of the Reserve banks is more important than the rediscount rate. It is an inverse reserve position a rapid approach toward the 40 per cent

dead line that has heretofore called for drastic action by the Federal Reserve authorities. As a matter of fact, the 40 per cent provision, as stated before, is not of final importance.

It is easy to imagine a situation in which the Reserve Board would be justified in suspending that requirement. Such a condition was on the verge of realization at the end of the war. Had it eventuated, it would probably have made no difference. The degree of inflation would have been higher, but the succeeding depression might have been no worse.

Under present conditions, and bearing in mind that inflation as a coming event casts its shadow before, the Reserve banks would be justified in making a marked advance in the rediscount rate—such an advance as would put that rate definitely over the prevailing commercial rate. Less talk about the duty of the Federal Reserve authorities to issue warnings to business, and more attention to guarding the reserves of the Reserve banks, would better meet present requirements.

The reserves of gold are high. They are so high that credit commitments may be made out of proportion to a reserve built up by normal accretions through sound business activity. The country won its vast gold hoard under war conditions, when exports were abnormally expanded and could not be balanced or nearly balanced by imports. If business were to be expanded on the basis of this present reserve, dangerous inflation would be inevitable. "Forty per cent," then, is without special significance as a danger point. At this time 60 per cent might be almost as dangerous.

The Federal Reserve banks were not designed as regulators of business through the process of loosening or tightening the strings of the credit bag. They were intended to protect the reserve position of the banks so that business could go on in some way under any circumstances. The rediscount rate is the means of protecting the reserve position, and the Reserve banks can do all the regulating necessary by operating in the open money market, by buying and selling bills.

There has been no time like the present

since the Reserve system was instituted to make a proper adjustment of the rediscount rate to the prevailing rates for money. Once that is done, the pulse of business can be recorded with exactness. The demand for credit through rediscount will express the needs of business, not an easy and profitable way to credit expansion.

In such circumstances a change in the rediscount rate would mean something more than an opinion or a prophecy, and it would come with an automatic precision and nicety that would at once absolve the reserve authorities from criticism—from allegations that they were mulcting the farmer, or impoverishing the working man, or playing a political game.

The plan would work as smoothly as that which regulates the export and import of gold. This is dictated by the value of goods exported and imported as expressed in the demand for exchange in, say, London and New York. As soon as the demand for London exchange in New York rises to a point where it becomes profitable to pay freight and insurance on gold, gold is shipped. Everybody knows that America has bought in England or through English sources more goods than England has bought in America.

So if business, through the commercial banks, bid for Reserve bank credits at a rate higher than the commercial banks customarily charged, business would influence the rediscount rate the same as it now influences the commercial banks' rates. The rediscount rate would be adjusted according to what business—which deals so largely in futures—is going to do, not what it is doing.

Pertinent as the whole discussion is at this time, it is not what is in process now that counts, but what will be in process next September. The barometers of business show no present inflation. They show that expansion is running a normal course in the business cycle. The increase in bank loans and discounts unmistakably reflects expansion. There has been an increase in industrial output, but production has been against actual orders. There is apparent no dangerous accumulation of stocks.

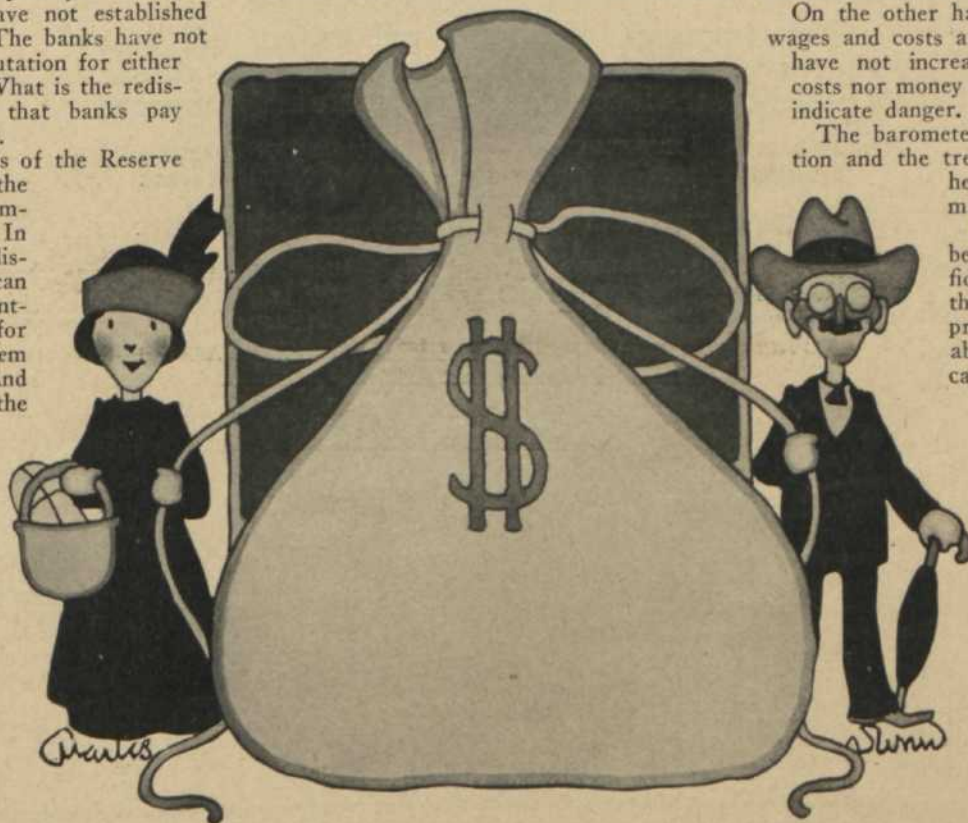
On the other hand, prices are rising, and wages and costs are rising also. But prices have not increased alarmingly. Neither costs nor money rates have risen enough to indicate danger.

The barometers which mark the condition and the trend of business show only healthful progress and normal expansion.

Business, it is true, may become bold and overconfident, but it is only when the business cycle in its progress shows stresses and abnormalities that there is cause for alarm.

In the meantime the business executive will do well if he watches the trend of things closely and keeps himself well informed. He may profit by studying business barometrics, and he might benefit by remembering that inflation has to do with the relationship between the volume of production and the amount of money and bank credit.

There is now no inflation. There is only the fear of it.



The Spirit of Transportation

BUCHANAN is a small town in Michigan. The Clark Equipment Company has its works there. Eugene B. Clark is president of the company. For years he has seen machine-shop tools, motor truck axles, steel wheels and castings come out of the plant and start on their way to other industrial centers. The products of his company are prosaic things. They are hard; they are material; they are utilitarian. Their sale and use rest on transportation. Mr. Clark also appreciates that civilization rests on transportation. He has found time and means to express that appreciation through the painter's art. He has done more; he has caught and expressed the idealism of thousands of his colleagues in American industry.

His company invited twelve of America's leading artists to portray "The Spirit of Transportation," each according to his own conception. No restrictions were imposed. Each artist developed his theme in his characteristic manner. There was full freedom of thought and technique. Each artist was paid for his painting, and the twelve were entered in a friendly competition for a bonus prize of \$1,000.

THE NATION'S BUSINESS will present full color reproductions of the twelve paintings in groups of four. The work of the following artists appears in this number.

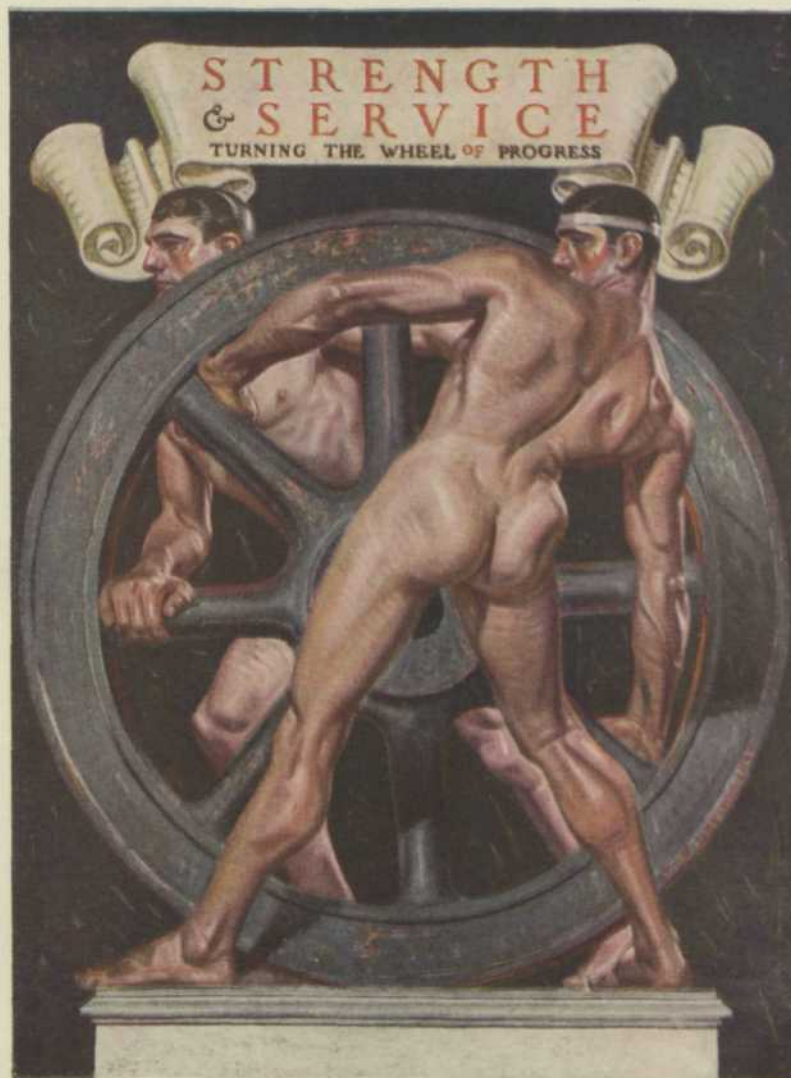
FRANK X. LEYENDECKER
GEORGE ELMER BROWNE

FRANKLIN BOOTH
WM. MARK YOUNG

To appear in succeeding numbers are pictures by:

JAMES CADY EWELL
R. F. HEINRICH
F. LUIS MORA
ALPHONSE MUCHA

COLES PHILLIPS
JONAS LIE
MAX BOHM
MAXFIELD PARRISH



Frank X. Leyendecker,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. LEYENDECKER uses two nude figures, "Strength" and "Service," to portray his theme. All their tremendous power is brought to bear on the spokes of a gigantic wheel typifying "progress." It is intelligent rather than brute strength because they utilize the full leverage of the spoke and peer anxiously off along their course to bring their ship to a safe harbor.



George Elmer Browne,

©1922, Clark Equipment Co., Buchanan, Mich.

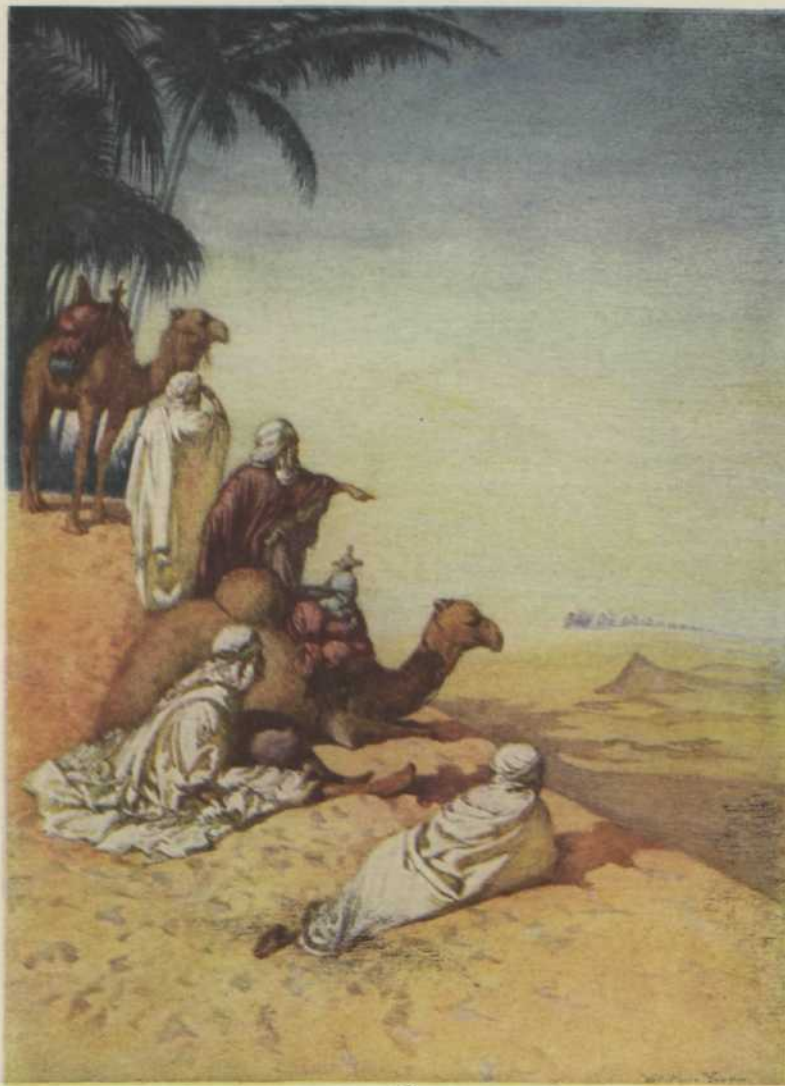
MR. BROWNE with the artistry of the marine painter develops his theme from the Arabian Nights story of the fisherman who draws his net from the sea and finds in it a mysterious vase; opened, it gives forth a vapor which rising to the sky unfolds "The Spirit of Transportation," who with upraised hand and streaming hair is silhouetted against a whirling globe of light. In the clouds are seen champing horses and whirling chariots, symbolizing ancient forms of transportation. Back of the clouds the majestic figure of the Sphinx is seen looking down across the centuries. He shows transportation as the dynamic force in civilization.



Franklin Booth,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. BOOTH picks his theme out of a busy street adjacent to the Bush Terminal, showing all methods of transportation from the Italian woman with a burden on her head, the push cart, the horse and wagon, to the modern motor truck bringing its load to a steamship pier where a railroad train is discharging its freight. An aeroplane darts overhead; in the background the symbolic figure of transportation carries upon his gigantic shoulders the burdens of civilization.



William Mark Young.

©1922, Clark Equipment Co., Buchanan, Mich.

MR. YOUNG gives an Oriental touch to his theme. He shows an oasis in the desert where a caravan stops on the edge of the sand and the Arabs look out with eager, expectant eyes across the desert, where silhouetted against the horizon General Allenby's army comes up to the siege of Jerusalem—the ancient "Ship of the Desert" is being replaced by modern transportation.

The Railroads and Distribution

By CARL R. GRAY

OCULISTS have a word describing the ready adaptation of the lens of the eye to varying distances. They call it "accommodation." I know of no better word to describe the constant adjustment of railroads to changing conditions, from fat to lean years, from peaks of heavy traffic to valleys of light traffic, from difficulties with employees to eras of good feeling, from times of public hostility toward railroads to periods of friendliness and helpful cooperation. Railroads must continually, and often instantly, "accommodate" themselves to new and altered circumstances.

The year 1922 is a case in point. On April 1 came the coal strike, which caused a precipitate falling off in that class of traffic. On top of this came the shop strike on July 1, the most widespread railway strike in American history. Coincidentally, there began a business renaissance of huge proportions. That the railroads were able, in the face of these three difficult situations, to move a record volume of traffic was not merely noteworthy, it was astounding.

No man can reasonably say that the railroads have fallen down. True, they have fallen far short of earning the fair return contemplated by the Transportation Act, and commonly, but mistakenly, referred to as a "guaranty of income."

It is true they need a "holiday" from restrictive measures in so far as that course is consistent with the quasi-public nature of their service. Their taxes are too high. They are operating under many unwise, expensive and vexatious laws and regulations. But with all of these slowing-up forces, they are transporting the nation's commerce in a highly creditable manner.

For example, Annual Bulletin 1922 of the Car Service Division of the American Railway Association shows that the total car loadings for the last six months of 1922, the period covering the shopmen's strike, was only eight-tenths of 1 per cent less than the corresponding six months of 1920, the latter being the greatest loading period in the history of railway operation.

From the middle of October, 1922, down to the present time, the car loadings have surpassed all previous records for the same time of year. In the first nine weeks of 1923, car loadings were $6\frac{1}{2}$ per cent greater than in the same weeks of 1920, the previous record year. The wonder, then, is not that there were sectional complaints of car shortages and of transportation failures last fall but that such complaints were relatively so few.

Since 1890, the first year for which the statistics are available, the revenue ton-miles and passenger-miles for each \$100 of property investment in the railroads show a remarkable increase. In 1890, 983 tons of freight and 154 passengers were carried

This is the fifth of the seven articles on distribution which we announced at the beginning of the year. It deals with the transportation factor, and no better authority could be called on than Carl R. Gray, President of the Union Pacific System, who writes it. Two more of our promised series remain, articles by William A. Durgin, on what standardization and simplification can do to lessen distribution costs, and by A. Lincoln Filene, on what convenience costs. But distribution is a subject which widens out as one gets into it. This month, for example, Hugh J. Hughes, State Commissioner of Markets for Minnesota, writes about that very important factor in distribution—cold storage—while George E. Roberts in the opening paragraphs of his article strikes to the very heart of the problem.—The Editor.

one mile for every \$100 invested in railroad property; while in 1920, the performance was 2,084 tons of freight, and 238 passengers, an increase of 112 per cent in freight and 55 per cent in passenger traffic. The increase, as shown by the published figures of the Interstate Commerce Commission, follows:

	Property investment	Tons, one mile	Passengers, one mile
1890....	\$7,755,387,381	76,207,047,298	11,847,785,617
1920....	19,849,451,638	413,698,748,713	47,369,905,886
Increase	\$12,094,064,257	337,491,701,415	35,522,120,269
Ratio of increase (per cent)....	156.97	443.00	299.00

The people of the United States have come to regard efficient railway service like sunshine and air, as a matter of course. The "Five-Fifteen" leaves each day as usual, and the smoke of the "Seven-Twenty" darkens the sky at exactly that time of day. We board the Limited at Chicago, settle ourselves comfortably in a Pullman and are whisked away

by a powerful locomotive to the Pacific Coast in as many hours as it took days in the time of our grandparents.

At meal time we go into the dining car, a hotel on wheels. There we find the choicest of meats from the great plains of the west, potatoes from Idaho, oranges from California, coffee from Brazil, sugar from Cuba, tea from Japan, tomatoes from Mexico, and fruits and vegetables from near and far. Perhaps we may wish a hair cut, a shave or a bath. Our clothes may be in need of pressing. The facilities are there. At the end of our journey we step off the train looking spick and span, and feeling as though we had just left home.

We take these feelings as a matter of course, and yet how many of us pause to remember that the entire development of our steam railways has taken place during the lives of persons still on earth. Only a little more than ninety years ago the first section of the first railroad in the United States was placed in service—the Baltimore and Ohio between Baltimore and Ellicott's Mills, opened May 22, 1830.

Only a few years ago a man died who was present at the laying of the cornerstone of that first railroad. That was more than two hundred years after the landing of the Pilgrims at Plymouth Rock in 1620, which means that this country has been without rail transportation during two-thirds of its history.

The original settlements in the United States were self-contained units. In many respects the daily life of the pioneer was but a stage above the lonely existence of the self-reliant Robinson Crusoe.

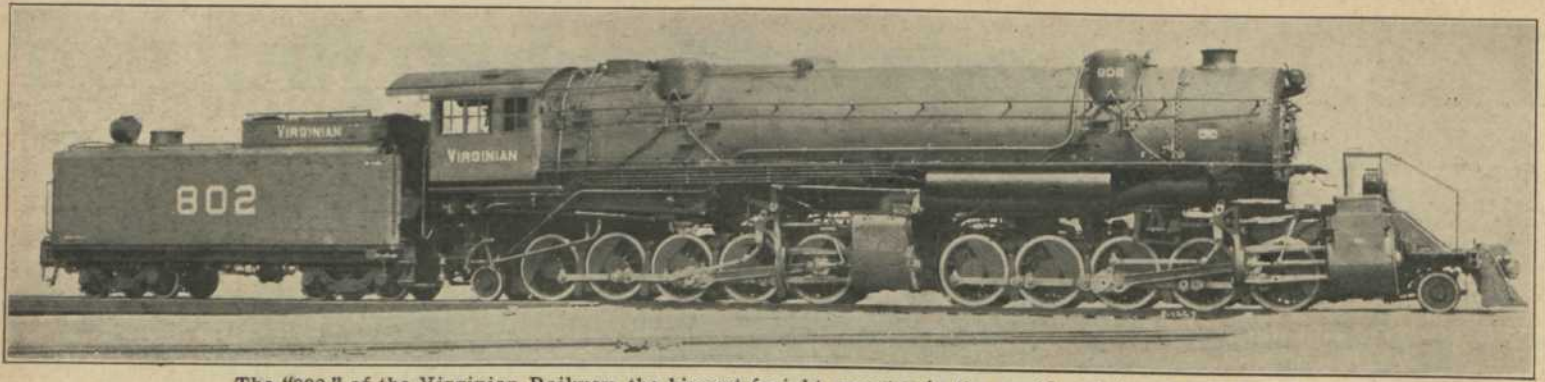
Few communities produced all of the things necessary for creature comforts. The ordinary diet of bread, meat and vegetables yearned for a complement of coffee, sugar and spices. So people decided to exchange their surplus of home products for the desired commodities produced by others, and this exchange of products marked the beginning of commerce and industry.

It is significant that nearly all of the early settlements were located on the ocean, or on rivers or lakes. A pioneer writer of Indiana tells how produce was marketed in those pre-railroad days:

After the farmers had worked all the year, and their corn and hogs were ready for market, two or more neighbors would club together and build a flatboat, load it up, and with poles propel it down the Wabash to the Ohio, down the Ohio to the Mississippi, and so on down to New Orleans. Then if the voyage had been propitious, if they had not encountered snags or been stuck on a sand bar where the hogs soon ate their heads off, they sold both load and boat and with their money in their pockets walked back home. The trip usually took six weeks,



Forging the last railroad link between the East and the West on the Union Pacific in '69. Then the states welcomed the railroads with gifts of gold and silver spikes. They spike them now, but not with gold and silver



The "802," of the Virginian Railway, the biggest freight monster in the world, weighs 898,000 pounds

and during that time no letters or telegrams could bridge the anxious space.

The greatest era of railroad building followed the close of the Civil War. The Chicago and Northwestern reached Council Bluffs in 1866. Other transcontinental lines followed fast, notably the Sante Fe, Rock Island, Great Northern, Southern Pacific, Northern Pacific and Union Pacific. "Among the most remarkable achievements of railroad building," says the report of the United States Joint Commission for Agricultural Inquiry, dated October 15, 1921,

the first road (the Union-Central Pacific) connecting the east with the Pacific States must stand out in bold relief. Taking the circumstances into consideration, no railroad project so daring was ever before proposed. Bearing in mind the small population and the poverty of the nation, the half-developed state of the practice of railroad building, and operation, and of the myriad of other sciences upon which it depends, the immensity of the wilderness to be crossed, the distance from the base of supplies, the crudeness of transportation facilities, the number and implacable ferocity of the savage foes to be encountered, the building of the Union Pacific and the Central Pacific remains unparalleled in the annals of railroad construction. The driving of the last spike riveted the bonds that made the east and the west one grand whole as surely as it held the rail in place. All the magnificent achievements which of the past years have been possible to the great nation were then made a virile fact; whether they would have been possible otherwise may well be doubted.

The Panic

THE panic of 1873 halted railroad building, but the cessation was only temporary. Accurate figures covering railroad construction were not compiled until after the passage of the Interstate Commerce Act in 1887. The figures shown below are taken from "Statistics of Railways in the United States," as published by the Interstate Commerce Commission:

	1890	1900	1910	1920	Percentage of increase in 1920 over 1890
Railroad mileage . . .	156,404	192,556	240,831	259,941	66.20
Ton-miles per each person in country . .	1,210	1,863	2,773	3,914	223.47

Of all forms of transportation—canal boat, steamship, motor vehicle, interurban electric, airplane and steam railway, transportation by steam railway is the most necessary and vital factor in our nation's welfare and development, both in times of peace and war, and will continue to be so for all time to come. All other methods are collateral.

Much has been written advocating the development of our inland waterways to augment the service of transportation by rail.

The traffic naturally tributary to waterways is comparatively small, and if any

large volume is moved via these waterways it must be moved from point of origin or to final destination by rail. To develop our waterways for transportation to an extent beyond their natural and useful limits will result in an enormous and unwarranted burden upon the taxpayers.

Railways and Waterways

IT will be observed that I have said that to develop our waterways for transportation "beyond their natural and useful limits" will have this effect. From the standpoint of the public welfare, each means of transportation, namely, rail, water and highway, should be utilized when and where the needed transportation service can be rendered in the most satisfactory manner and at the lowest cost. We need a thorough and impartial study to determine when and where, from the standpoint of quality of service and the economic cost of rendering it, the advantage of the public lies with (a) rail transportation, (b) water transportation, and (c) highway transportation.

Without intending to discourage in any way the development of waterways where this would be of real value to the public, I venture to call attention to one fallacious argument which is frequently made in behalf of extensive waterway development, which is, that if the waterways of the country were developed they could relieve the railroads of the necessity of handling a large volume of various classes of freight traffic.

What are the facts? Almost without exception the railroads are called upon to handle the peak traffic in the fall and winter months of the year. A large part of the waterways already in existence, and those it is proposed to develop, are, or would be, closed during this part of the year because of winter weather conditions, which make or would make navigation upon them impossible.

It can be readily seen, therefore, that during the peak traffic months, when it might be that the railroads would find relief necessary, it would not be possible for a large part of such waterways to relieve them. Under normal conditions, the railroads are able to handle all of the business offered them, so it would only be during this time of the year that relief might be required.

The result, therefore, of developing waterways in a great many instances would be to deprive the rail lines of traffic which would be handled with the utmost efficiency and dispatch, during the normal part of the year, thus increasing the amount of surplus capacity and facilities the railroads must maintain in any event; and thereby adding to the total economic cost of transportation to the public without compensating benefits.

Only an enlightened policy of rate-making could have produced a situation where products from various regions far and near could compete in central markets. Had railroads

adopted a rigid system of rate-making predicated on distance or cost of service, California oranges could never have competed with those from Florida, or California lemons with Sicilian, or Western States sugar with Atlantic and Gulf refineries.

Rate-making on a cost-of-service basis is a plausible theory, but there is nothing which so interferes with a theory as a fact, and the fact is that this country's commerce could never have developed had not railway traffic managers followed the principle that the proper rate is the rate that will move the goods.

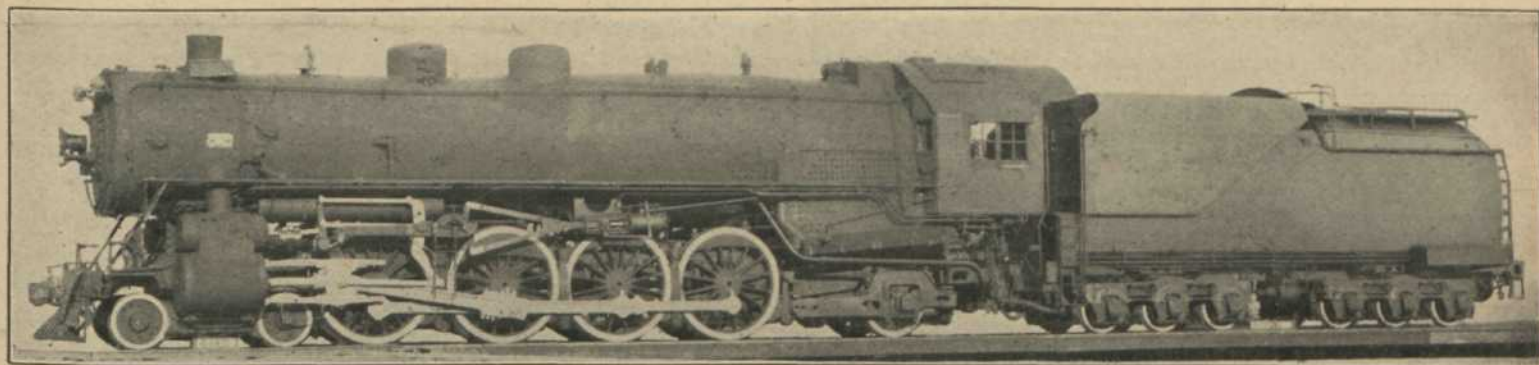
But it takes more than solid roadbed, strong locomotives and equitable freight rates to build up specialized industries such as fruit, live stock and dressed meat. These usually require a special type of car and expedited service, as well as specialized handling. Live stock is carried in the familiar flat-sided car. Dressed meat, fruits and vegetables require refrigerator cars, well insulated and equipped with ice bunkers.

Few people appreciate the part played by the live stock and refrigerator cars in the distribution of the nation's food supply. Before the advent of the railway, many owners drove their live stock on foot to the stock yards and slaughter houses. P. D. Armour, it is said, drove a single pig into Chicago in this way.

The Machinery of Distribution

NOWADAYS, stock is hauled in carts or motor trucks to the nearest railway to be transported to the packing centers, whence it emerges as dressed meat and is distributed throughout the country in refrigerator cars. Before the development of these moving ice boxes, the method of supplying the consumer with meat products was wasteful. Live stock had to be shipped from the producing sections of the west to the centers of population in the east, where the animals were slaughtered in plants which were too small to utilize the by-products economically. Freight had to be paid on the whole animal, only a portion of which consisted of meat; and many an animal died on the long journey. Refrigerator cars are used not only for the purpose of transporting fruits, meats and vegetables to the large cities, but they are also used to carry packing-house products to the small country towns on the various railroad lines which extend out from the packing plants. How big a factor these cars are in distribution is plain from the fact that 125,000 of them are in operation in the United States. This includes those owned and operated by the railroads themselves, as well as the ones provided by refrigerator car lines.

A comparison of early-day with modern railroads shows vast improvement in every direction. Perhaps the most striking advancement appears in the construction of the loco-



The "7,000," largest passenger locomotive on the Union Pacific, tips the scales at 583,000 pounds

motive. During the fall of 1921, the New York Central took its pioneer locomotive, the "De Witt Clinton," from its resting place in the Grand Central Station at New York, breathed the breath of life into it, and sent it to an exposition in Chicago. Photographs of the early locomotives, such as the "De Witt Clinton" or the "Pioneer," which latter was the first engine west of Chicago, make the ancestors of our present power look like toys.

From the "Neversink" to the "802"

THE "Neversink," the first locomotive built by the Baldwin Locomotive Works, in 1836, weighed 19,000 pounds and had a tractive effort of 4,700 pounds. The "7,000," largest passenger engine on the Union Pacific today, weighs 583,000 pounds and has a tractive effort of 54,838 pounds, and the "802," largest freight locomotive in the world, in operation on the Virginian Railway, weighs 898,000 pounds and has a tractive effort of 47,200 pounds. In other words, the modern passenger engine weighs thirty times as much as the first engines, and has a tractive power nearly twelve times as great, while the largest freight engine today weighs nearly forty-seven times as much and has power thirty-one times that of the original engines.

Improvements in car construction are equally noticeable. The early box cars were wooden affairs with four wheels and had a carrying capacity of only a few tons. They were from 20 to 25 feet long. The box car of today is ordinarily of two lengths, 40 or 50 feet, and the average capacity of these cars is about 100,000 pounds. Coal cars with a capacity as high as 220,000 pounds are now in service on some eastern railroads.

Although the railroads stand willing and anxious thus to serve the nation, it is a fact that at times their capacity and facilities are overtaxed, due to a number of reasons.

With the resumption of coal mining last fall, and just as the railroads were emerging from the throes of the greatest railroad strike ever known, there came coincidentally a tremendous revival of business activity generally, making it necessary for the railroads to handle, during the past six months, a greater freight traffic than ever moved before during the same period.

It is frequently alleged that the railroads have "broken down," and it is true that this situation has been a great overtax of the transportation machine, but the fact that they have handled the business certainly proves that they are far from breaking down. One of the results of such an overtax of the railroad facilities is to create what is commonly known as a "car shortage," but what is, in reality, a shortage of transportation.

That such a shortage has existed during the past six months is a fact, and the fundamental reason for such a condition goes far

back. For a number of years the railroads have been unable to increase and expand their facilities and equipment in the same scale as the traffic they have been called upon to handle has increased, and neither have they been able to keep pace with the country's development generally.

Why is this true? Their inability properly to increase their facilities has been due to the injury done to their credit by unwise regulation, which has made the net return earned by them insufficient to meet such necessities. As a result in 1916 and the following years, the railroads found themselves facing the proposition of handling an immense war traffic, with the imperative necessity of moving it expeditiously and preferentially; and this had to be accomplished with a machine which had not, due to lack of credit, been adequately developed to take care of such a burden.

The Transportation Act of 1920, the most constructive railroad legislation ever enacted in this country, returned the railroads to private operation, after twenty-six months of Government control, and marked the beginning of a new era for the railroads.

The enormous expenditures for new power and cars in 1922, the fact that locomotive and car building plants now have orders which will utilize their capacity until the end of 1923, represent the latest hostage the railroads have given to fortune, and are due to the fact that the railroads have believed and hoped that the Transportation Act would be carried out in the spirit in which it was enacted.

Have you noticed how business picks up when the railroads are spending money? This is what the railroads are doing today, and they wish to continue to do so. The investor, seemingly, is regaining some of his old-time confidence in railroad securities, and this is because we have, for the first time, a constructive railroad law, and have had for three years no particularly destructive railroad legislation.

A Slow Pull, and Up Grade

AS an indication that the railroads are gradually coming back to a more stable basis than has existed for some years, the first-class roads of the United States earned in 1920 a net return of 0.72 per cent on their valuation as set up by the Interstate Commerce Commission; the same roads in 1921 earned 3.31 per cent and, in 1922, 4.14 per cent.

Through all of these periods the railroads were struggling with the same reconstruction problems encountered in other business, accentuated by an inheritance of precedents and practices established during the Federal control period. For different reasons, none of the three years mentioned was a normal year. Two months of Federal operation, six

months' operation under the guaranty period and four months of private operation marked 1920, while 1921 was a year of abnormal depression. In 1922 we had five months during which the coal strike caused a tremendous upheaval, supplemented by the difficulties due to the strike of railway mechanical employees, added to which, was an enormous increase in business activity.

From a number of sources, demands are being made for amendments of certain portions of the Transportation Act, and, as a matter of fact, measures were introduced in the last Congress and others are promised when the new session convenes next December, providing for such amendments.

No Time for Tinkering with the Law

IN my judgment, any change in the law at this time would be most unfortunate for a number of reasons, chief among which is the fact that it has, partially at least, restored railroad credit, and that it has provided a method of railroad regulation and support which essentially and materially departs from the old-school methods which had resulted by 1918 in the virtual destruction of railroad credit.

The law was carefully rounded out, and its component parts are interwoven and dependent, to a considerable extent, one upon the other. Certainly this theory of regulation, which is the fruitage of the best legislative and administrative minds, should not be torn apart until there has been sufficient time for trial throughout a period of reasonably normal conditions, which would give an opportunity for approaching the matter intelligently and in the light of results and demonstrated experience.

We seem to be launched upon a prosperous period of business generally, and one which will require every effort the railroads can make in order to handle it successfully. To do this, they will need much equipment and many improvements, and all of this will cost money.

It is of the very greatest importance that the credit of the railroads, which is now being rehabilitated, should progress to a point where not only their bonds, but the stock as well, will be restored to their old places in the investors' regard. Nothing will so adversely affect this improving situation as to attempt at this time amendments to the Transportation Act, because it will mean the opening of a veritable "Pandora's Box."

What we need more than anything else is a moratorium throughout a reasonable period of normal business, and then, not with passion or prejudice, and certainly not in a piecemeal manner, but treating the subject as a whole, in the light of actual experience, purely as an economic and not as a political measure, consider in all its phases this vitally important question.

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MERLE THORPE, Editor

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Sound Sense from Italy

FROM the speech of Benito Mussolini, Prime Minister of Italy, before the International Chamber of Commerce:

It is my conviction that the state must renounce its economic functions especially those of monopolistic character for which it cannot provide. It is my conviction that a government which wants quickly to uplift its own people from the after war crisis, must give free play to private enterprise and forego any measure of state control or state paternalism, which may perhaps satisfy the demagoguery of the Left, but, as shown by experience, will in the long run turn out to be absolutely fatal both to the interests and the economic development of a country. Time has come, when we must take off the shoulders of the producing forces of the nations the last remainders of what was called "war harness," and examine the various economic problems with feelings undisturbed by those passions with which it was necessary to consider them during the war.

I do not believe that that complex of forces which in industry, agriculture, commerce, banking and transport, may be called with the glorious name of capitalism, is about to end, as for a length of time it was thought it would by several thinkers of the social extremism. One of the greatest historical experiences which has unfolded itself under our own eyes has clearly demonstrated that all systems of associated economy which avoid free initiative and individual impulse, fail more or less piteously in a short lapse of time. But free initiative does not exclude understandings among groups, which are all the easier, the more loyal is the protection accorded to private interests.

What Starts the Tariff Wheels Moving

THE FLEXIBLE TARIFF has been causing a lot of de-liberation on the part of the Tariff Commission. Some good Americans got the idea that the Tariff Commission is a sort of court of appeal from Congress, and if they were not pleased with what Congress did in the way of duties, or lack of duties, they had a chance to have the Commission put things right.

With due modesty, and correctness, the Commission has disclaimed any such role. Its duties are laid down pretty accurately for it in the tariff law, at least to the eye of him who reads as he runs.

The Commission had to look a little more closely, however, and upon careful reading of the statute the members, while of one mind about the error of their fellow citizens who wanted them to supplant Congress, were not in entire agreement about the manner in which they should undertake their duties.

One school of thought inclined strongly to the belief that the law is plain and unmistakable, to the effect that the Commission should keep its eyes averted from the law and what was happening under it until a citizen came forward to allege that the costs of production had changed as to a particular article. Then the Commission should ascertain the facts regarding that one article.

Another school of thought inclined just as strongly to the notion that the law is equally clear and certain, precisely to the opposite effect—that is, that the Commission should keep its eyes and ears wide open to the course of economic events and, when it had reason on its own behalf, and even though no citizen rose up to point to an article, to think that the relationships of costs of production at home and abroad had changed,

it should announce an investigation, hold hearings, and proceed to restore things to the position Congress had intended.

There appears to be a temporary truce between these conflicting points of view, and the Commission has announced that it is proceeding to consider a list of articles as to which specific question has been made. If it finds that the facts warrant, it may recommend that the President put duties up or down on such articles, within the limits Congress set.

Starting Reform in the Wrong Place

PRICE RECONSTRUCTION is being urged by the German Minister of Economics upon industrial and commercial organizations. The idea is that as the mark has lately become more valuable there should at once be a corresponding decrease in prices.

Some of the German papers apparently think the official theory may be well enough, but that it has not come time to apply it. When the Government says there was a great increase in the value of the mark as compared with dollars, they retort that every one knows that prices did not go up to the extent of the fall of the mark.

Besides, they suggest, the Government might set an example, and an example that would greatly affect prices for many necessities. Its opportunity lies in railroad rates. Owning the railroads, it has put up its rates in the following impressive way:

February 1, 1922. 33 1/3%	September 1. 50%
March 1. 20	October 1. 100
April 1. 40	October 15. 60
May 1. 20	November 1. 50
June 1. 25	December 1. 150
July 1. 25	January 1, 1923. 70
	February 15. 100

These percentages were all compounded, one upon the other, too.

The German suffers accordingly because of the height to which freight rates reach under government ownership and operation. He gets no comfort out of the knowledge that when a foreigner enters his country with his foreign money he may be able to travel and ship at remarkably low rates, as expressed in the alien currency. The German is worried by the rates he pays in his own money, and inclines to retort to the Minister of Economics by asking when the Government is going to begin "reconstructing" its own prices, in the shape of those railroad rates.

Sugar Up Less than Cabbage or Eggs

SUGAR had the newspaper headlines, but the figures of the Bureau of Labor Statistics indicate that between January and February it had a less spectacular rise in price than either cabbages or stored eggs. Cabbages at retail went up by 18 per cent and stored eggs by 6 per cent, whereas sugar rose 5 per cent.

All told, though, decreases in retail prices for goods were sufficient to cause a decline of 1 per cent in the month, and the combined index for foodstuffs was but $\frac{4}{10}$ of one per cent over the index for February, 1922.

Blizzards, Boll Weevils and Weeds

FEBRUARY BLIZZARDS, despite their discomforts, may be godsend to farmers in the South. There is some evidence that this year the February blizzards were fatal to two-thirds of the cotton boll weevils that were hale and hearty in January. Statisticians should be wary, though, about calculating the number of bales of cotton the freeze saved. Neither weevils nor chickens can be counted before they are hatched.

However numerous, many of the weevils which are hatched this year will face a hard life. In June there will be around twenty-five million pounds of calcium arsenate awaiting them.

In 1922, something like sixteen million pounds went to curtail the weevil's depredations on the cotton crop. Last autumn, there were estimates that the South would want over thirty million pounds this year. Such an amount was not in sight. There was some excitement over calcium arsenate, with allegations about conspiracies and trusts. In due course, the allegations were found contrary to the fact, and every one got down to the job of obtaining enlarged supplies of calcium arsenate.

The Department of Agriculture now announces that the arsenic-producing industry, upon which the making of calcium arsenate depends, has been able to accelerate production to such a degree, and programs for utilization of arsenic in other ways have been so readjusted, as to make the total available for fighting weevils practically double the amount that could be estimated in October.

Readjustment of programs has meant, however, diversion of arsenic to weevils from some other undesirable things. For instance, there will be diversion from weed-killing compounds.

Not So Much Goes Back, After All

TAX REFUNDS by themselves bulk large. In the period of 1917 to 1922 the refunds made by the Government on account of internal revenue taxes improperly collected amounted to \$179,000,000, and appropriations made by Congress would seem to contemplate about \$121,000,000 more in the near future.

During the same period, however, the total amount of internal revenue taxes collected reached \$22,836,000,000 and of this amount \$1,606,000,000 came from back taxes assessed upon the audit of the Bureau of Internal Revenue.

Tax figures certainly have a habit of running into big figures.

Where Dictionaries Are Advertising

THE DICTIONARY is advertising matter in Mexico. Youthful persons driven to the dictionary by Yankee schoolmarm have had vague suspicions mixed with their aversions, but it remained for Mexican officials to discover the facts. They levy an import duty upon dictionaries, encyclopedias, and the like as "advertising matter," and do it joyfully; for they assess the tax by weight.

A question of advertising has caused a flurry in another part of the world. A postal official in New Zealand, seeking to add to revenues, devised the scheme of inserting advertising, for a consideration, in machines cancelling stamps. Each business house had visions of its envelopes carrying advertising of rivals. The protest was instant, unanimous, and successful.

Keeping the Egg Honest

TRUTH IN EGGS is the idea British poultry keepers have found in our proposals for "truth-in-fabric" legislation. The poultry keepers are asking Parliament to require that every imported egg should bear a legend stating the country in which the ubiquitous hen deposited that particular egg. One protesting importer declares that this would mean stamping one billion six hundred million eggs a year.

That "Made in—" Puzzle

HANDKERCHIEFS have been a source of grief in official circles, and among importers as well. The trouble arose over the manner in which handkerchiefs should be marked, when imported, with the name of the country of origin.

There was no great alteration in the new tariff law with respect to the marking of imported goods. Treasury officials, nevertheless, decided to make some changes in the regulations.

In December they ruled that each individual handkerchief should be labeled with the name of the country where it was made. The marking of a box or other container would not do.

In February, officials retreated far enough to hold that marking of containers would answer if the handkerchiefs were unfinished. In March, they finally capitulated, and said that if each dozen had a band bearing the mark of origin it is sufficient.

Marking of imported goods to indicate whence they come is one thing, but a requirement that is practical in view of the way in which merchandise has to be handled is quite another matter.

What Do 700,000,000,000 Marks Mean?

SEVEN HUNDRED ONE BILLION is a large figure. It represents the taxes collected in Germany between April 1, 1922, and January 31, 1923. Being expressed in paper marks, the real value of the sum is somewhat difficult to compute. The only method of reducing paper marks to terms that are within the comprehension of the American mind involves the rate quoted for exchange with dollars. The mark is always worth more internally than for the purchase of foreign money, and it by no manner of means remained at a fixed rate during the ten months.

Any calculation is sure to be wrong, therefore. Taking the quoted rate of the mark at the end of March—.0048 cent—one quickly reduces 701,331,000,000 paper marks to \$33,663,000. All one can say, in the perplexity of trying to represent the meaning of the German figures, is that the German tax collected certainly meant to Germans a substantially greater amount than thirty-three million dollars would mean to Americans.

Things Grandmother Didn't Know

IF YOUR grandmother or her mother who baked all the bread, pies, cake and cookies for a family of eight, had been told that the amount and kind of shortening she used involved problems of colloid chemistry, she'd have gasped. She'd have been equally surprised, perhaps, if she'd been told that her granddaughter or her great-granddaughter would be using shortening that came not from the hog in her barnyard, but from a cocoanut tree in the tropics.

But science, in the person of Washington Platt and R. S. Fleming, chemists of the Merrell-Soule Company of Syracuse, had taken hold of shortening. There was no measure of efficiency in shortening, and a machine was made

for measuring the shortening power of fats in terms of the breaking strength and crushing strength of standard cookies.

Having devised the machines, our scientists, who describe their work in *Industrial and Engineering Chemistry*, proceeded to churn up a barrel or more of standard sugar cookies. At least, their formula calls for a barrel of flour, 80 pounds of sugar, and other things in proportion.

They made cookies without shortening and with every kind of fat, and if there were ever any doubt, it is here recorded that "a biscuit baked without shortening . . . is so hard and strong that it cannot be broken with the teeth." (Here may be found the historic origin of the joke about the young bride's biscuits.)

But it is interesting to note just what the shortening does, although the cook may not be helped if told that "it forms innumerable minute breaches of continuity throughout the structure of the biscuit." Let's be plainer, and still quote our learned friends:

"The reason for using shortening is similar to the reason why candy manufacturers wrap caramels in paraffin paper. Paraffin . . . acts much like shortening in dough, by forming a layer which keeps the lumps of caramel apart."

Shortening is a sort of lubricant, and some oils are oilier than others. Some fats make better shortening than others, and we are told by learned authorities that it is possible to make cookies with vaseline!

The Interdependence of Industry

By GEORGE E. ROBERTS

Of the National City Bank

AS POPULATION increases, society inevitably becomes more complex. People must live more closely together, have more to do with each other and be more dependent upon each other.

I remember reading some years ago the autobiography of the late Senator George F. Hoar, of Massachusetts, and I recall his statement that in his boyhood years in Massachusetts industrial and social conditions were not very different from what they were in the village communities of Italy in the days of the Roman Empire. That is to say, he dated back to the time of hand tools and the household industries, before the general introduction of steam-power and power-

industrial organization beyond the comprehension of the average. He doesn't see the full workings of the system; he doesn't fully appreciate his own part in it or the benefits that he derives from it. And so we have a tendency for society to break up into groups and blocs and unions, of one kind and another, each striving to advance the interests of a few at the expense of the many, until the benefits of the system are impaired and to a great extent lost. Organization has developed until it defeats its own purposes, for the warring groups expend their energies in fighting each other. We have tied so many knots in the channels of circulation that society is threatened with strangulation.

The railroads are a great convenience for the interchange of products, but if either of the relatively small groups of people who happen to own or be employed upon them has a right to paralyze traffic at will, society is in a precarious situation. Our entire industrial and transportation system is dependent upon coal, and about 600,000 men have

side should ask alone to judge the case.

Now we cannot get along without the modern system of industry. The population of this country could not be supported in the state of comfort to which it is accustomed without it, not to speak of improving social conditions. In many respects the conditions of life tend to grow harder as population increases and the original stores of natural wealth are impaired.

We have been exploiting the natural resources of a continent, a wealth of soil, of timber and of minerals that had been in preparation for thousands of years. We are feeling the pinch of scarcity and rising prices in many of these materials. We must make constant improvements in the methods of industry to offset this impairment of natural resources, or we shall have simply exploited this country and left nothing to those who come after us to compensate them for the harder task of making a livelihood, which will confront them.

The truth is that it requires a higher order of intelligence, a higher sense of social responsibility to be a citizen in modern society than it did to be a citizen in a primitive society. The modern industrial system will break down, the system under which men devote their lives to research, or to acquiring skill in specialized industry, is impracticable, unless the spirit of cooperation prevails.

H. G. Wells, the English writer, returning from Russia, is profoundly pessimistic about civilization in Western Europe and the United States. He says that it is in a race between education and catastrophe. Certain it is that the possibilities of this highly organized society cannot be realized without a broader understanding of its mutual advantages. Since we all owe benefits to it, we all owe loyalty to it. We must exalt the interests of society as a whole against the claims of any part of it, for that in the long run is for the good of every part. We must bring everybody to know that there is a Unity of Modern



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When revolution hit Russia—

driven machinery. Every local community was in large degree self-sufficient and independent, and industrial relations were easily understood. It is a far cry from the industries of that time to the industries of today, interlocked as they are in the industrial system of the world.

We have developed an intricate, highly specialized industrial system, in which each of us does some one thing, which often has little direct relation to his own wants, and depends upon satisfying his wants by exchanging products and services with others. It is a wonderfully effective system when all in balance and running in order, but it is an interdependent system. It is like a great machine in which every part is dependent upon all the other parts.

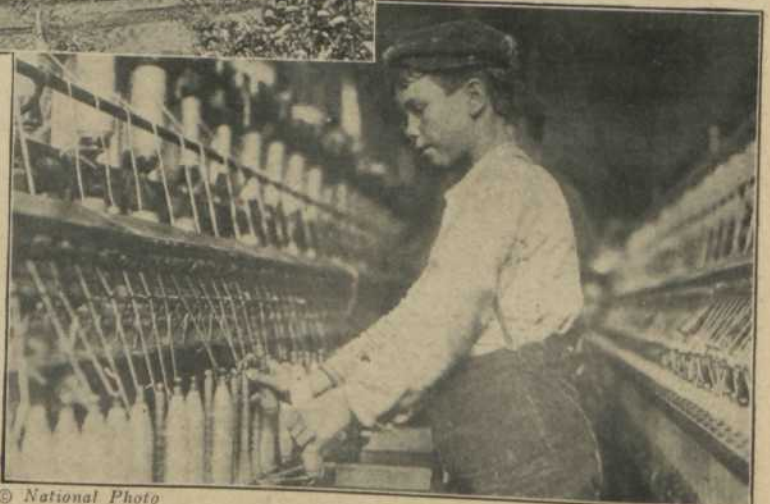
Moreover, it is a great voluntary system, and its efficiency is largely dependent upon good understanding, good feeling and cooperation among all the groups and members that compose it, and that is not easily maintained. Emerson said that the real test of civilization was in "Facility of Association"—the ability of people to understand each other, get along together and work together for common purposes.

Most of our troubles, it seems to me, are due to the fact that we have developed the



India's tea industry suffered—

voluntarily undertaken the task of mining coal. Certainly they are entitled to considerate treatment at the hands of the public, but certainly, also, the great public is entitled to considerate treatment at the hands of the miners, and where interests come into conflict neither



© National Photo

The textile mills of Manchester were hurt and—

Society, that the interests we all have in common are vastly more important than the interests that seem to be in conflict, and that there are economic laws and forces that safeguard the common welfare.

There is a widespread belief held by many excellent people that, in the past, labor has not had its fair share of the benefits of industrial progress. But how does anybody know that the condition of the wage-earning class would be better today if more of the industrial product had been distributed in wages and less had been devoted to the development of industry? You cannot eat your cake and have it too.

The industrial development of this country has been accomplished mainly by means of the industrial profits of the past. The industrial equipment of this country is superior to that of any other country, and as a result the production of our industries is higher per unit of labor than that of the countries of Europe, and wages are higher than in those countries. If industrial profits had been lower, the industrial development would have been lower, production would have been lower and the amount available for distribution as wages would be lower than it now is. These accumulations of capital can do nothing without labor; capital cannot dig a ditch, or lay a wall or turn a furrow without labor. They must be used together.

Wherever there are two factors that must be used together, the one that is relatively scarce has an advantage over the other. I remember that when I lived out in the corn country there used to be something like a competitive situation between corn on the one hand and live stock on the other. If there was a good supply of stock to be fattened and a short crop of corn, feeders would be relatively cheap and corn dear, while if there was a big crop of corn and feeders were scarce, the owners of the latter held the whip hand. We have seen this situation in the last two years, with corn selling on the market at 30 to 50 cents a bushel and worth 75 cents to \$1.00 to the owner of hogs.

And so it is that since capital cannot be employed without labor, every dollar of new capital means an increased demand for labor; and since capital is always increasing in this country faster than population, labor comes inevitably into a constantly stronger position.

And then bear in mind that,

taking the industries as a whole, the products must be sold back to the workers who make them.

The great investments of capital which we see going on are all for the purpose of serving in some manner the masses of the population. There is practically no other use for capital. The demands of the rich are of small consequence; it is the wants of the millions that keep the wheels of business moving; and with all the investments of new capital and all the improvements in industry we have a constant increase in the output of commodities per head of population; and the only way these commodities possibly can be distributed is by such a continual readjustment of wages and prices as will enable the masses of the people to buy them. Industry would choke down and come to a standstill if the buying power of the people did not constantly increase.

Suppose you knew that the supply of wheat per head of the population would steadily increase from year to year, say from 5 bushels per head in 1922 to 5½ in 1923, 6 in 1924 and so on; do you think that any possible combination of capital could prevent the benefits of that abundance from reaching the masses? Something like that is going on normally all over the industrial world, and under such conditions you can no more prevent the benefits from reaching the masses than you can prevent the

forces that make for equality among men.

There is an abundance of evidence of this, and it accords with the most treasured belief of mankind: That in the long run that which is right will prevail; that there is an integrity at the heart of things to which the universe is true.

You say that these natural laws are not known? No; and that constitutes a challenge to the leadership of the time. Ignorance is the limiting factor in social progress, and most of all, ignorance of mutual interests. It doesn't do much good to blame people for what they don't know. None of us like to be held closely responsible for what we don't know. The only real remedy for ignorance is knowledge, and the only remedy for the misunderstandings that affect society is in the gradual spread of enlightenment—as the morning dawn steals over the world.

And, after all, is it not a provision of Providence, wholesome and beneficent, that prevents any part of the community from getting very far in advance of the rest, without finding reason for exerting itself to bring



Indiana wholesalers were hit

the others up? You cannot protect the health of any part of this city without protecting the health of the whole city, and so you cannot provide for the security or advancement of any part of the community without providing for the security, the advancement and the enlightenment of all.

We have seen in the last two years a demonstration of the interdependence of the industries. There is a normal equilibrium in industry which must be maintained in order to have prosperity. All business in the last analysis consists of an exchange of products and services, and you

cannot have full and free circulation of goods or full employment for the people unless the relations between the various branches of industry are such that the products of each are taken by the people in the others.

Our relations with Europe are mainly through our exports of farm products, and in the fall of 1920, owing to the break in the European demand, farm products suffered a rapid and heavy decline. It affected the buying power of the agricultural population, and that in turn reacted upon all the other industries of the country.

The average value of the ten principal farm crops in 1913 was about \$16 per acre,



The cotton grower couldn't buy, and—

rivers from reaching the sea.

The security and rise of the masses happily does not depend upon the forbearance, the generosity, or the considerate favor of those who rank above them on the social or industrial scale. They come up because there are resistless and everlasting



The price of American raw cotton fell from 43 cents to 11 cents a pound.

in 1919 it was about \$35 per acre, and in 1921 it fell to about \$14 per acre, or about 12 per cent below the average of 1913. In the last year a substantial recovery has taken place, not yet complete, and I do not believe we can have full and sustained prosperity unless the farmer has his fair share.

For, with all the criticism aimed at the modern industrial system, the fact is that it is founded in equity; it functions in reciprocity and it doesn't work freely except on a basis of fair play.

When I lived out in this farming country, I used to read a good deal about the "balanced ration." A balanced ration is one in which all the elements of nutrition required for a growing animal are present in the proper proportions; and it is a scientific fact that if any of the elements are in any degree deficient, only that portion of the ration in which all are present in the required proportions will be assimilated. All the remainder will be ineffective and wasted, and the same law holds good throughout the economic organization.

It might be expected that the disappearance of Russia as an exporter of foodstuffs to Western Europe would be of great benefit to the United States, as a competitor. It has caused the prices of some farm products to rule above the pre-war level, but we know that on the whole the American farmer is not as well off as before the war. Western Europe was able to pay for Russian products with exports of manufactures and cannot pay us in the same way.

Hurt India and Indiana Feels It

A CURIOUS reaction from the collapse of Russia is seen in the relations between that country and India. India is a great tea-producing country and Russia formerly was a great tea-consuming country. India did not trade directly with Russia. She took her pay for the tea in cotton goods and other exports from Great Britain, and Great Britain took pay from Russia for the tea in foodstuffs and raw products. It was three-cornered trade. The inability of Russia to take the Indian tea affected the ability of India to take cotton goods from England, the falling off in the demand for cotton goods made 1921 the worst year the British cotton goods industry had experienced since the American Civil War, and the inability of England to sell cotton goods sent the price of raw cotton in the United States from 43 cents a pound in 1920 to 11 cents in 1921, and that decline in the principal product of our southern states affected all the industries of this country.

Economic law is always seeking to maintain the equilibrium. Witness the influence of exchange rates upon trade. Perhaps some who read this had experience doing business with Canada when exchange on the United States commanded a premium of 15 to 18 per cent in Canada.

The balance of trade between this country and Canada for several years was around \$300,000,000 per year in favor of this coun-

try, and our trade relations elsewhere were such that Canada could not shift credits to settle the account. The sum was so great that Canada could not give gold in settlement, and the Canadian Government put an embargo upon exports of gold. The demand in Canada for means of payment in the United States so greatly exceeded the supply that exchange commanded premiums ranging up to 18 per cent.

The Unity of Nations

THAT situation had several curious reactions. Some of our Canadian friends regarded it as a reflection on their credit. One distinguished public man declared that for his part he would not buy 5 cents worth of goods of a country that did not treat the Canadian dollar fairly. But the premium was not caused by anything done in this country. It was caused by the competition among the Canadians themselves for the means of making payments in the United States. The Canadian gold dollar is the own brother of our gold dollar, and it never has been discounted in this country. The Canadian paper money never was intended to circulate outside of Canada. It could not be used in this country. You could not pay debts with it, you could not buy goods with it, you could not pay labor with it, you couldn't pay taxes with it—and that is one of the principal uses of money nowadays!

The situation was not to our advantage; it penalized exports from this country to Canada and put a premium upon exports from Canada to this country. It was a beautiful example of the efforts of economic law to maintain the equilibrium, and a demonstration that no situation is enduring unless the advantages are mutual.

And speaking of Canada, surely there is no country with whom we should be more desirous of good relations than with this neighbor, with whom we have 4,000 miles of boundary without a fortress or a gun. What can be the gain to us from the new barriers that we have placed against the sale of Canadian products in our markets? Western Canada grows young cattle, but does not grow corn to fatten them. They have been coming down to the St. Paul and Chicago markets, from whence they have been sold as feeders to our farmers. Eventually they have come back to these markets, been slaughtered in our packing houses, made freight for our railroads and have either been shipped to foreign markets or released cattle of our own growing for such shipments. Now we have put a duty of 1½ cents per pound on such cattle. They probably will continue to be fattened upon our corn, but in Canada, and move over Canadian railroads, and through Canadian packing establishments to foreign markets, where they will compete as truly as before.

What is to be gained by the duty on wheat, when Canadian and American wheat moving out daily over parallel routes are finally sold in foreign markets in open competition and at prices which are reflected back over

every stage of the journey from the local markets and farms on both sides of the line? Why should we attempt to maintain the fiction of an independent and protected market for wheat, when a rainstorm in Argentina or Australia will affect prices in Chicago!

We know from experience, that practically every dollar's worth of products that Canada sells in this country is used here for the purchase of our products. Is there any reason why such a relationship should not be as beneficial as a similar relationship between our own states?

I would reaffirm that the fundamental fact in world relationships and in all economic relationships is this mutuality of interests. Unfortunately, there is only a faint comprehension of it, and because this is so we have a world of rivalries and antagonisms which from time to time break out in war.

The responsibility for war does not always belong to the nation that fires the first gun. The spirit of war may be developed in mistaken ideas about national interests. If nations believe that their fundamental interests are in conflict, that there is an irreconcilable rivalry and struggle for existence, if people believe that the future of their country and of their children is at stake, of course they will fight; nothing else is to be expected; war is inevitable.

But that view is all wrong. It over-emphasizes the idea of competition. It has its origin in a chronic fear of over-production, and there can be no such thing as general over-production. Unbalanced production there can be; we have been suffering from it; but general over-production there cannot be, so long as human wants are unsatisfied.

One of the grievances we have against the labor organizations is that they sometimes restrict the output, acting upon the theory that there is only a given amount of work to be done, and the longer they can make it last and the more they can make it pay in wages the better.

Society's Problem

THAT is a mistaken theory, but it is no different from the theory of statesmen and business men in their exaggerated anxiety that there will not be business enough to go around. The truth is that there is no limit to the amount of work to be done in the world, or to the amount of business to be had, or to the amount of wealth that may be created from the resources of nature. The purchasing power of every country is in its own powers of production, and the greatest prosperity that can be attained by any country under the modern industrial organization is found in connection with the highest state of prosperity in every other country.

The problem of society is so to organize, coordinate, integrate, and balance, the industries of all countries as to obtain the greatest possible production of all the things that minister to the common welfare. That is the great appeal to the enlightened and constructive forces of the world.



Business Rallies to Action

By MERLE THORPE

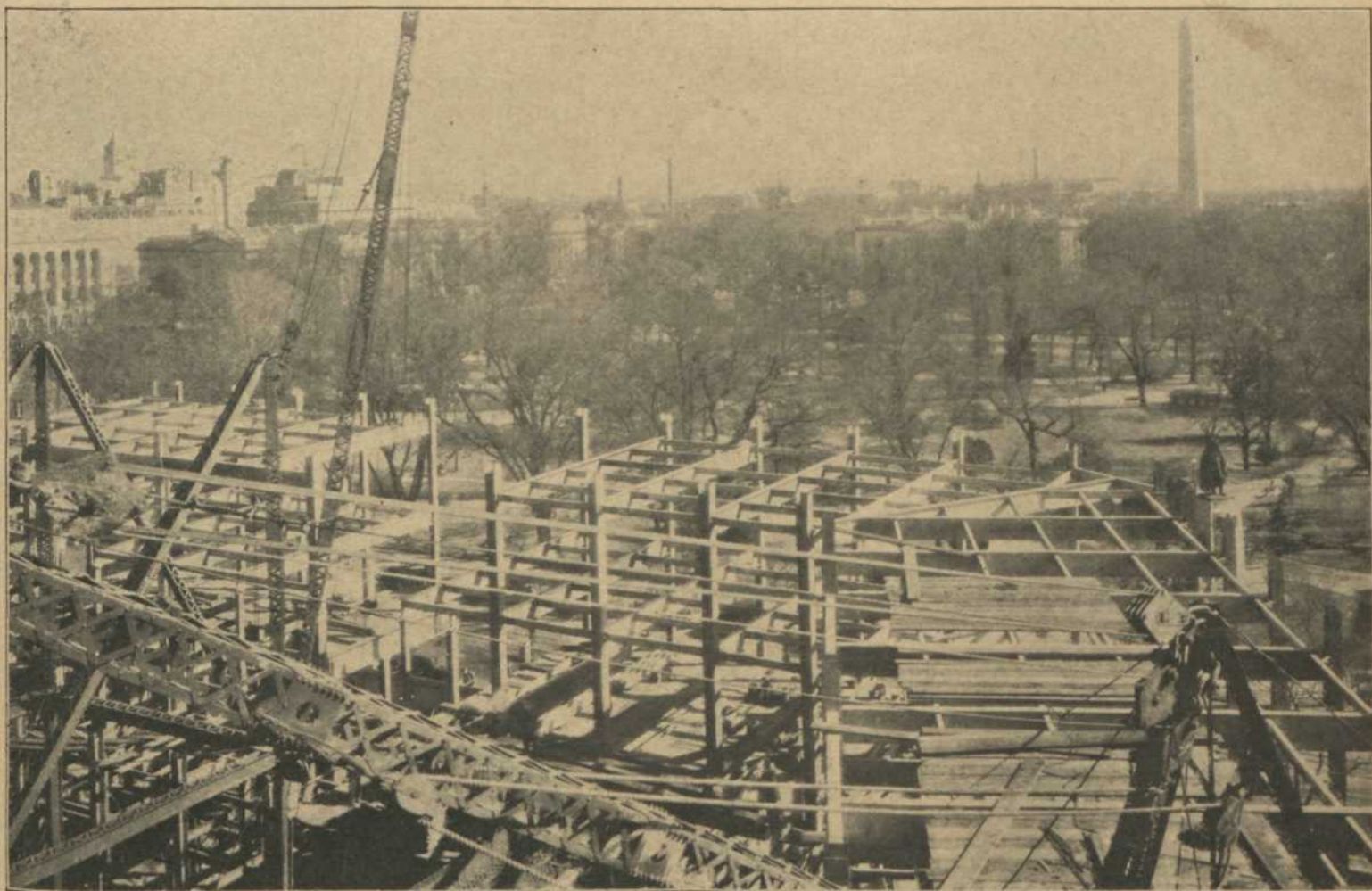
TIME WAS when the American Business Man took his public affairs about as seriously as he took his silk hat. Both were habiliments of his hours of ease; neither had much to do with his every-day affairs.

When he wore the hat, however unwillingly, it meant that he was off duty in the business world. When he talked political

Richard and all their kinfolk of the Average American Business family have finally become interested in this political thing. They have a growing desire to see what makes it go.

More than that: They are considering whether it would not be more interesting to take a hand in it along with all others whose interests are involved rather than wait to be

word politics. Fear of possible laws, restrictive and troublesome to trade, have gripped the hearts of business men gathered to discuss their plight. Congress has become an ever-present bogey, the legislatures forty-eight separate plagues to try the patience of the American business man, striving to get forward in life with profit to himself and others.



Looking across the third floor field girders of the new home of American business. To the left, readers will recognize the Treasury Annex of the Treasury building; to the right of

them is the Washington Monument, while just below, seen through the trees of LaFayette Square, is the White House. It is expected that the steel work will be completed by May first.

economy, he was kicking up his heels in a pleasant field of intellectual diversion, usually in the way of topping off a good dinner. Tomorrow, when he "rose up to buy and sell again," he would put his political ideas into the hat box with his shiny tile and forget 'em both while he got back to the job of making the wheels go 'round.

Time was—but that time isn't now. Mr. American Business Man has learned it in pain and anguish. He has not taken political government seriously; but politicians are guilty of no such error in judgment. They have taken business so seriously that Mr. John Doe, Average American, is wondering with pained surprise whether he and his partner, Richard Roe, are going to have any say left in the business they have built up.

Wherefore, there is in progress what amounts to a business revolution—John and

the central figure at a post-mortem. Business has no desire to run the Government but is beginning to feel that it has a right to be heard.

That is the real meaning of such organizations as the Chamber of Commerce of the United States. National genius for business organization—that is America. A genius it is, with vision of what might be done for civilization; with ability practical and experienced, in attaining ideals; with bull-dog tenacity to carry on to a finish.

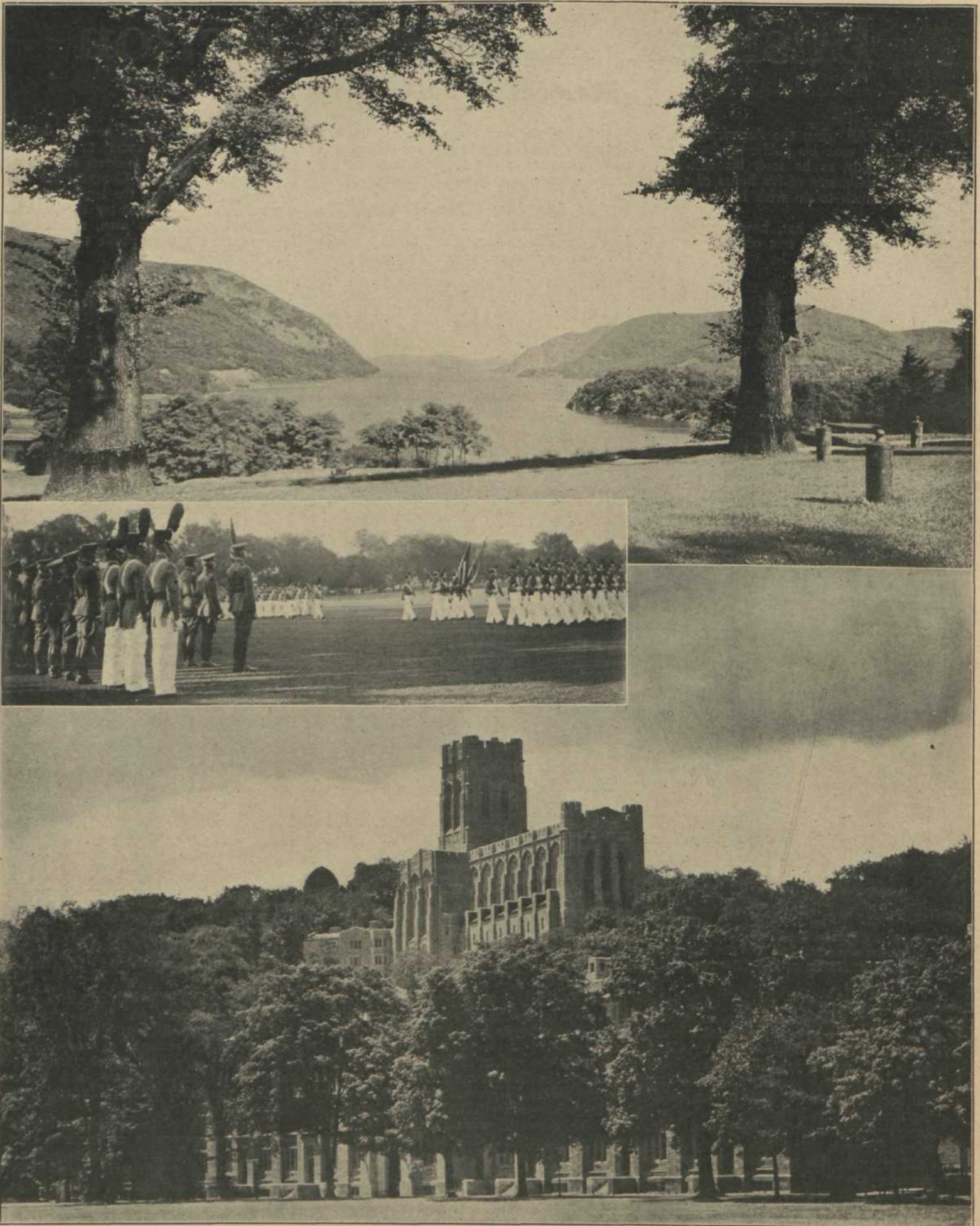
That is the spirit of organized business, a force that is even now taking a new and wholesome interest in the laws and rules under which we must work.

For years business has walked in hourly dread of what Congress and the legislatures might do. Men whose courage has built up great industries have shuddered at the

The business body of the nation has been dosed by Congress and legislature with an enthusiasm that did not always seem in the interest of the patient's recovery. A joyous and enthusiastic host of surgeons, doctors, nurses, specialists, quacks and fakirs attended the clinic with pills and powders, herbs and simples.

There appeared to be nothing but "don't" in the pharmacopoeia of business cure-alls. There was a distinctly negative flavor about every shot-gun prescription upon which they could agree. Regulation, re-regulation and more regulation was and is the order of the day, and all of it, however well meant, tending to impede and hamper and restrain the good American impulse to expand and grow and do more and better work.

The business man knew it. And he complained in and out of season. But his has



One feature of the annual convention of the United States Chamber of Commerce will be a daylight sail to the Military Academy at West Point, where there will be special displays for the visitors. At

the top is the view up the Hudson, made famous by Washington Irving. In the center are the cadets on parade, and below is the Chapel, one of the finest specimens of Gothic Architecture in America.

been a hopeless sort of defensive strategy. He has organized and conventioned and resolutioned and testified before legislative committees whose name is legion, hoping that the dosage which was being prepared for him might not be made any worse. He looked upon his tactics as little more than a sort of home guard defense, each little group of similarly interested persons doing defensive battle on its own account.

The New Strategy

BUT there are signs of a change. Perhaps he has learned from recent military history that the best defensive strategy is the offensive. And business is preparing to take the offensive in self-defense. It is preparing to evolve for itself and from itself a full, well-digested understanding of those things that should be done for the good of the nation and, therefore, for the good of business, and then to urge legislation that shall make such a program effective. It is preparing to lead the way to business legislation and no longer sit quietly though fearfully by until hobbled and hog-tied.

A case in point is the coming annual meeting of the Chamber of Commerce of the United States, which bids fair to be the greatest business convention ever held. Its membership will be knit together for common understanding of business problems of our transportation systems and Europe's economic plight. Representatives of every phase of industrial, commercial and financial effort will study these subjects upon which depend our continued growth and prosperity, and adopt a program of action for themselves and submit another to the Government. Organized business, in calling its meeting, has said in effect:

The problems affecting railroads, ocean transportation, highways, electric railways, waterways, aerial transportation, electrical communications and postal facilities are so complex and so interrelated that they require concerted study and action to insure a proper and balanced adjustment of a transportation system which will serve all efficiently and economically.

The adjustment of Europe's affairs upon a sound foundation both from a financial and economic point of view is essential to the re-establishment of the commerce and industry of the world upon a stabilized basis and the continuance and growth of the industrial, agricultural, financial and commercial activities of the United States.

The railroad rate structure, the public interest and the right to strike, cooperation between waterways and railroads, coordination between motor truck and railroad transportation, coordination of railroads, waterways and highways, the farmer's interest in transportation, financial support, establishment of credit, the Government and the railroads, foreign trade, foreign affairs, reparations, intergovernmental debts, foreign credits, and depreciated currencies are among the subjects which will be dealt with specifically and which are of vital interest to every business man in America whether he is a retailer, a wholesaler, a banker or a manufacturer.

There is no doubt that expression of opinion on every angle of the two subjects under debate will be proposed. It will come from the group meetings and also from the floor of the general sessions. But to receive the approval of the body all opinion must be moulded and worked over into statements upon which all the conflicting viewpoints in the business world can agree. They will be important for that reason; because they will represent cross sections of American thought on these current American problems. To be

worth while they cannot be merely the views of specialized groups or interests.

There have been conventions before now, oodles of them. They have resolved and declared and affirmed and otherwise eased their minds on many a diverse subject to their own edification and, no doubt, with more or less effect on the course of national events. But that effect, as a rule, has been hard to trace. There should be no such difficulty with the product of this annual meeting of the National Chamber. For it will be preliminary to two direct efforts of organized business, domestic in one case, world-wide in the other, to have a creative and constructive voice in pointing out the road of progress and advancement to legislatures and governments.

Considerable publicity has been given to the fact that the National Chamber has undertaken a careful study of the existing transportation problem in all its phases with a view to bringing forward, *before Congress meets again*, constructive suggestions for the solution of the difficulty.

A Transportation Conference is in process of being set up, which will give representation not only to business men and shippers but also to the railroads, the advocates of waterway traffic, the advocates of highway traffic. By the time the annual meeting is held the investigations will have been advanced to a point where important reports on progress made can be submitted to the delegates assembled.

A failure to solve the existing problem of fixing rates which do not strangle or impede the progress of agriculture and trade while at the same time giving the railroads a return adequate to attract the new capital needed for their extension, repair and improvement brings up the spectre of Government ownership and operation. Attention will be given at the New York meeting to what would be involved in such Government operation, not only as to how it would affect the railroads and railroad service, but also its effect upon the Government service itself.

In other words, the Annual Meeting will be made to serve the very valuable purpose of focusing thought in the country, and particularly among all the ramifying business interests, upon these problems and the various methods proposed for their solution. It will afford an educational background, so that when the Transportation Conference itself has arrived at its conclusions and submits them for approval and support, the most intelligent business and public judgment can be brought to bear upon them.

The European Muddle

SO much for the transportation side. The New York meeting is a stepping stone to the Transportation Conference, an effort of business, plain, every-day, practical business, to put common sense into the question and give legislation a chance to follow such lines, regardless of political considerations.

Now for the second phase—European affairs. American initiative at the Rome Congress of the International Chamber of Commerce, as represented by Julius H. Barnes, president of the National Chamber, and other representatives of the American Section of the international body, resulted in the decision of the Congress to call an international conference of business men to propose ways and means of solving the European tangle. While the Congress may not have said so in so many words, it was evidently of the opinion that diplomacy of statesmen, of politics, had failed. In the assessment of world business opinion at Rome there was found

nothing to warrant the assumption that a business-like solution could not be found for even such a tangled mass of divergent economic interests and race antagonism as the reparations muddle. On the contrary, it was the unanimous judgment of the business men at Rome, business men from twenty-odd countries, that, stripped of political considerations, the trouble would yield to treatment promptly. Business diplomacy, the basis of which is fair dealing and full understanding and a mutual desire to cut through and get a settlement, could and would succeed where the diplomacy of statesmen found itself utterly blocked. That is what the international conference proposes to do, to substitute business diplomacy for political diplomacy.

Looking It Straight In The Face

SO noted an authority as Sir George Paish, the British financier, takes this view. Commenting on the action of the Rome Congress, he said that the Brussels and Genoa conferences had failed to find solution for the European tangle because they were unable to discuss for political reasons such questions as reparations, disarmament and the Versailles treaty. Says he:

The failure of the Brussels and Genoa conferences, and the inability of the entente statesmen to reach an agreement or devise any policy holding out a prospect of restoring the world to peace and prosperity have finally compelled the business men in self-defense to demand that all factors in the situation be fully discussed and that a way out of the difficulty be found. The insistence of the International Chamber of Commerce upon a final disposition of the reparations problem as a condition precedent to a permanent improvement of world economic forces should bring it to the approval of the entire world.

The (Rome) Conference sought to bring sound principles to the solution of the various underlying problems which block the world's recovery and it urges that these principles be applied to the nations. It has fully realized that the application of these principles must be left to statesmen and experts, nevertheless, it stated them so clearly that a complete and equitable settlement of the various problems can now be effected, provided the peoples and the statesmen are willing to apply them.

Here again is evidence that business has shaken off its purely defensive attitude; this time in a world relationship field, and is moving to exert its direct and powerful influence to bring about those lines of action which business requirements point out as necessary for the good of all. The whole question of European conditions, including the International Chamber's proposals, will be brought forward before the representatives of American business in New York and resolutions bearing on that subject adopted then may have unexpected weight in shaping the future of the world.

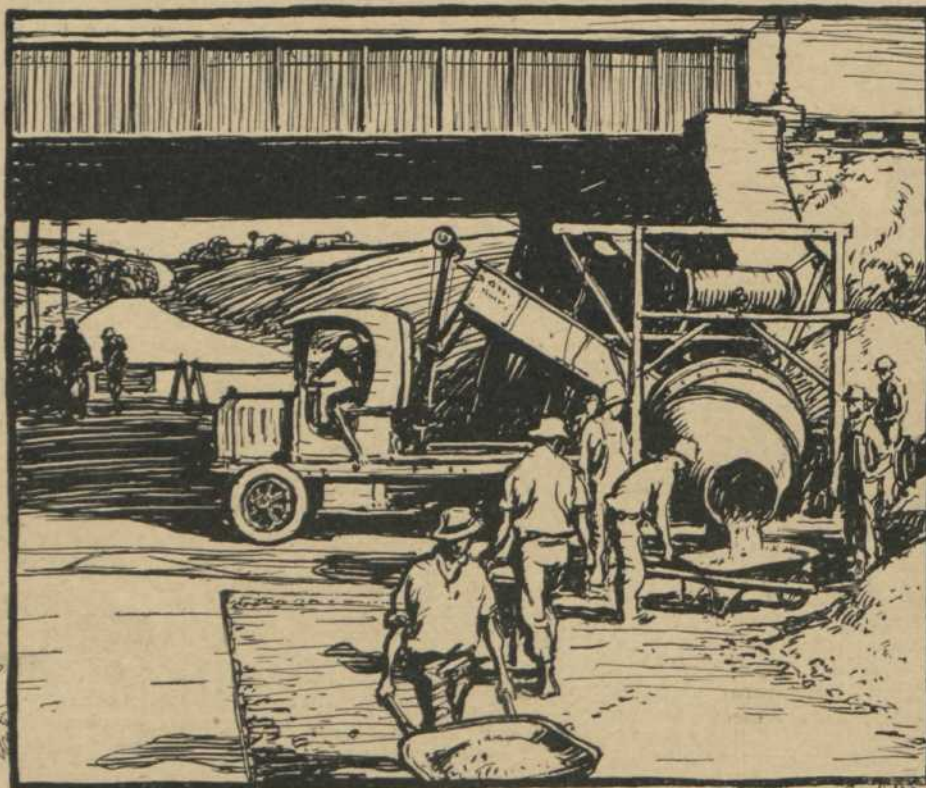
The Americans who were active in Rome will be prepared to make clear just what was contemplated and just what was the point of view of the business men of each nation assembled at Rome.

In view of all this, can anybody doubt that matters of world importance are taking shape through business initiative? Governments realize it. They have nothing to say for publication, but there is every evidence that they are hopefully watching. In this effort to weld constructive business genius of the nation and the world into forward-looking assertion of sound principles may lie a new well-spring of inspiration for diplomats and a road to a world restored and at work again for human progress.

The Reawakening of Cedarville

By F. STUART FITZPATRICK

ON A CERTAIN day in August, 1916, ten Cedarville business men lunched together. As the table in the private dining room was cleared off, they lighted their cigars and peeled off their coats. For two profitless years they had been hanging on, waiting. They had one mainstay—one product—on which their business prosperity rested, and only one; and now, after two bad years, there loomed up an insidious enemy which threatened to



these farmers as it is to you or the rest of us. This is going to be a Dutch affair. It's everybody's business."

"This isn't any love-feast of farmers and business men," Brooks said a week later, taking in the whole table, at which the business men and farmers were sitting, with one sweep of his arm. "We're not talking for publication either, and we're not here to put over anything. We're just here as individuals, to talk matters over."

"Isn't much I've got to say," Hawkins, one of the farmers present, started in his slow, dry way, "and there

cut off this product for an indefinite period. "What do you think of it, Mr. Witt," finally one of them asked.

All eyes turned towards the person addressed, a little deferentially, for he was Cedarville's leading banker.

"Well, Brooks," the banker replied, "I agree with Mr. Chapin. There's no use talking live stock and other products for this county till we've got the answer to the problem of markets. How? I don't know."

"But I do know," he added, "we ought to have some business-like way of getting together to work out a practical plan of action to meet this situation. We all know what's wrong, but not how to find the way out. That's why we talk and talk and talk, but do nothing. Let's make this group a committee on action for Cedarville, and ask Brooks here, if he will, to be our voluntary secretary."

These men, like all men who face daily the prosaic realities of business life, were intuitively men of action, and Witt's suggestion appealed to them. Yet they were not by nature enthusiastic organizers; rather they were strong, and in many ways narrow, individualists.

Goaded by an artful promoter, they had a year or two before organized a chamber of

commerce which bore no relation to their needs. Built as it was on the sands of over-promises, this organization had soon crumbled and disappeared. In spite of this disheartening experience, these men felt now instinctively the need of pulling together in the face of a common economic peril. That is why they had foregathered this hot August afternoon. The banker's suggestion released their common purpose.

Brooks' first official action as the unpaid secretary of the new Committee on Action for Cedarville was to arrange for a dinner meeting with a few leading farmers of Hamlin County. After discussing in the banker's office the names of the farmers they should invite, Witt had said to Brooks as he was leaving:

"Have the hotel people charge this dinner to me."

Brooks, who was just going through the door, turned abruptly.

"The only charge to you, Mr. Witt," he replied, "will be the cost of your own dinner. This dinner is going to belong as much to

isn't much for anyone to say, as I see it. We've had two bad seasons now, and if this rust epidemic comes along next year; and from all reports, as you know, it's due to hit us—well," he paused a moment, "the sheriff will be selling farms in this county for their taxes."

"How about working out some plan so you can raise some other crops, get some live stock and not put all your eggs in one basket," suggested one of the business men.

"Because there's no market 'round here that amounts to a tinker's dam for anything but our grain."

"You've put your finger, Mr. Hawkins, on the very thing we want to talk to you farmers about," cut in Witt, "and that's this matter

of markets. We want to make this suggestion. We'll undertake to raise money enough from the business men of this town to start a small creamery—the sort of creamery I've in mind should not cost more than \$2,500 to \$3,000—if you and these other gentlemen will undertake to sign up the farmers in this county to furnish the milk."

This concrete suggestion appealed to these men; it was something to lay their hands on. Gradually, as their minds mulled it over and they saw other possibilities, they felt welling up in them the life-old urge to action. That was the psychology of Witt's proposal. The meeting agreed almost enthusiastically to try to work it out, and adjourned on call.

The banker's simple proposal to establish a modest creamery, as it turned out, was not so simple. It was soon bristling with as many difficulties as a fretful porcupine's back. How were farmers going to haul milk to market over dirt roads in bad weather? Farmers of the county at present had less than 2,000 cows, mostly scrubs. Dairy herds must be built up. How? What feed crops could be successfully grown? What chance was there with two crop failures behind and another one in prospect to get a county bond issue for road improvements!

Behind these difficulties and seeking their solution was the Committee on Action, whose strength was gathering. Their volunteer secretary was not idle. Brooks was finding the farmers helpful. The son of one of them, young Searles, was particularly valuable to him. At the time they were arranging for the meeting with the farmers, Witt had said, "Ask old man Searles, but ask his son also. He's a graduate of the State Agricultural

Cedarville. It could not go on indefinitely acting as the unofficial spokesman for Cedarville's business men. The time was approaching when a larger moral and financial support would be indispensable to further progress. The committee was alive to this. It was feeling the responsibilities of the leadership it had assumed.

The frost was in the air when the Committee on Action held its last meeting before submitting its plan to the business men of Cedarville.

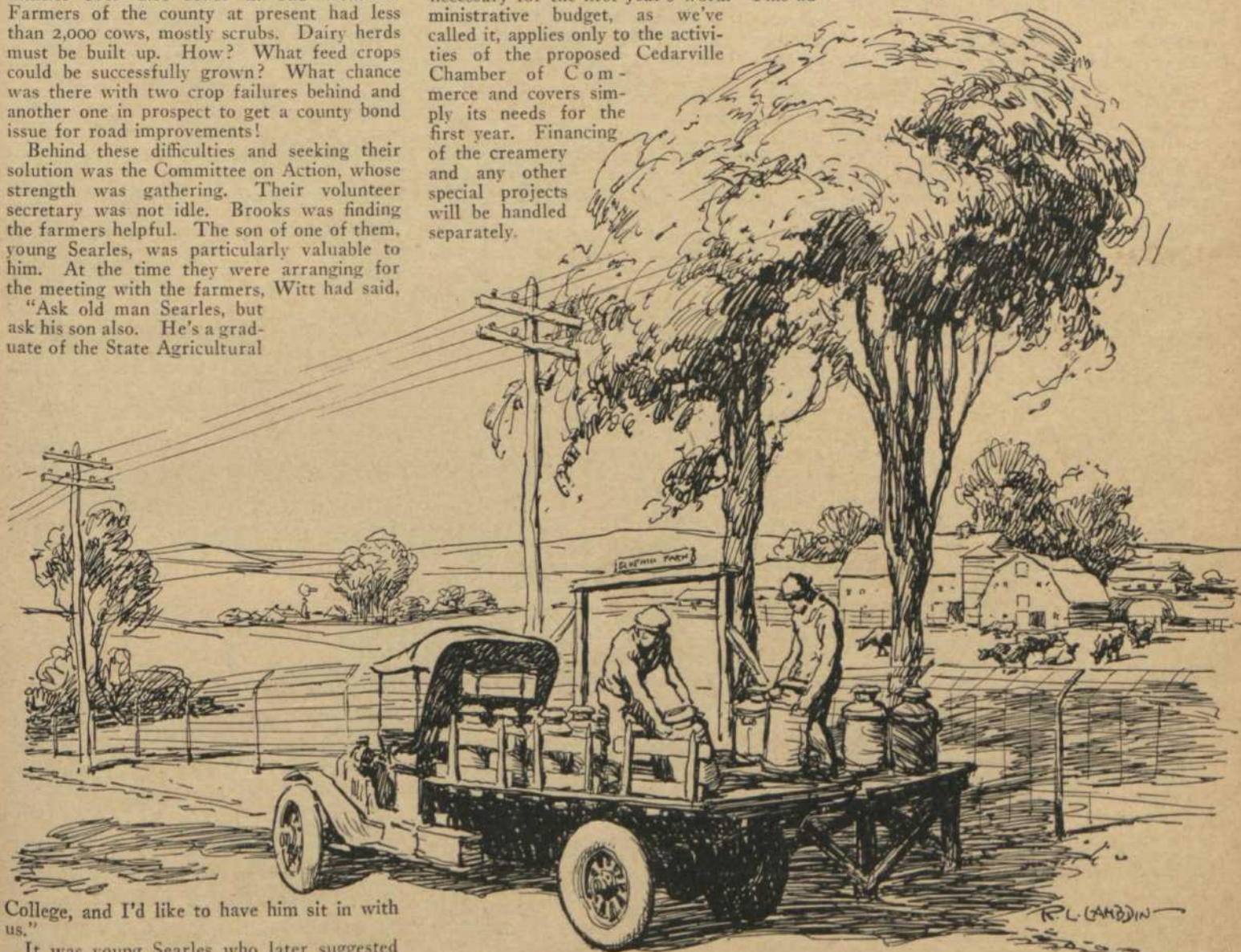
"Your sub-committee," Brooks was explaining to the committee, "has perfected its plan to finance a Cedarville Chamber of Commerce. We've had the matter up with the secretary of a large city chamber of commerce and other authorities. On the basis of our program of work, which is now in final shape—Mr. Witt will take that up next—we've estimated the amount of money necessary for the first year's work. This administrative budget, as we've called it, applies only to the activities of the proposed Cedarville Chamber of Commerce and covers simply its needs for the first year. Financing of the creamery and any other special projects will be handled separately.

get on the basis of his reputed or generally known financial stake in this town.

"I am confident," Brooks concluded, "of our success, because we are going to the business men of this town with a business proposition—a practical plan of action carefully worked out and a definite budget needed to make good on it."

Over 100 had accepted the invitation to the dinner meeting, which was held the following day. Committee members had consulted with many of those present individually, and now the time had come to lay before them a full report of their activities.

Witt did not think himself a particularly eloquent speaker, but he was effective on this evening. His fellow business men, who had assembled on invitation of the Committee on Action, had known him a good many years as a banker, but this was their first experience with him as a leader. It was doubtful if



College, and I'd like to have him sit in with us."

It was young Searles who later suggested that they call in one of the State Extension Service men for consultation, which they did. Out of this grew the plan for a County Agent.

Men learn to work together by practice, the business men of Cedarville and the farmers of Hamlin County were finding out. They held meeting after meeting together. The situation they faced was serious, but out of this giving and taking of counsel a definite plan of action evolved.

Alongside of these joint meetings, the Committee on Action was working on the problem of organizing a chamber of commerce in

"We propose to ask the business men of Cedarville to take memberships in the Cedarville Chamber of Commerce to furnish money for this budget. We suggest, after a careful study of the financial needs and the number of members we may count on for the new Cedarville Chamber, that the regular dues rate be fixed at \$25 per annum. We also propose as an aid to the work of soliciting, that a committee, thoroughly acquainted with Cedarville, be appointed to assess each business man who can afford to pay more than the regular dues, his share of this bud-

Witt was conscious of the impression his earnest presentation was making on his hearers. He was standing before these men to give an account of the stewardship the Committee on Action had been exercising in their name.

"Let me summarize," Witt concluded, "the plan of action we have worked out to meet this situation. Briefly, it calls for the establishment of a small creamery in Cedarville, the study of the possibility of other market outlets for dairy products, the securing of a

County Agent for the purpose of assisting the farmers in finding out what feed crops may be grown in this county, the working out of an arrangement between the bankers and the farmers for financing the building up of dairy herds, and a system of good roads throughout the county which will permit the hauling by motor truck of milk to the markets it is proposed to create. This program will save the farmers of this county from economic ruin by relieving them of their dependence on one crop, and will save us, for if they go down, we also go down."

Brooks followed with an explanation of the proposal to organize a Cedarville Chamber of Commerce without which the plan of action could not be made effective.

The next morning the daily paper carried an announcement of the campaign for the new commercial organization. A carefully prepared list of prospects was solicited by the two-men teams. Their task was not difficult, for they were asking each business man they approached for a definite sum of money for a definite budget to administer a practical program which had been worked out by men in whom the prospect had confidence. In addition, outstanding men had pledged themselves to head up committees to see that this program was executed—an effective selling point. No generalities were indulged. In two days the budget was raised and the Cedarville Chamber of Commerce became a reality.

Several months later, two carloads of Holstein cattle arrived in Cedarville. A few days after this event, there was published in the daily papers a report of a committee on road improvements for Hamlin County, which had been approved by the Cedarville Chamber of Commerce. People in Cedarville began to realize that some force was at work. The distribution of the Holstein cows on a number of farms in the county caused a general discussion at places where farmers meet. All the time Mr. Witt's mod-

est creamery of one churn, one Babcock tester and a dairyman was working away.

Young Searles had accepted the job as County Agent. Already he was getting the farmers of the county organized. He had laid out a three-year program for experimenting with the growing of different crops. Several farmers had agreed to set aside a certain amount of land for this purpose. A visit which Searles and Brooks and two farmers had made to Holstein centers explained the two carloads of cattle which had recently arrived in Cedarville. Previous to that a plan had been worked out in cooperation with the farmers by which the banks and business men undertook to finance the purchase of these cattle on terms agreeable to the farmers, and to buy the necessary fertilizer and seed for the crop work.

The Cedarville Chamber of Commerce was slowly gaining momentum. Thorough investigation was made before each step was taken. Its work was freely discussed with all those interested. Its leadership was not a matter of dictation or the furnishing of ideas and plans to be accepted and carried out by others, but of representation, of the giving and taking of counsel.

Obstacles there were, of course, plenty of them. Some business men had protested the limiting of dividends on the creamery stock to 6 per cent. Witt and the other leaders, however, stood firmly for this provision on the ground that the creamery was an enterprise for the benefit of all the people in Cedarville and all the farmers in the county. Their viewpoint prevailed. But a difficulty more formidable than any so far overcome was ahead of them.

The report of the Committee on County Road Improvements was the opening gun in a publicity campaign to overcome this obstacle. As later events proved, this campaign was to make history for Cedarville and Hamlin County. The ground work had been carefully prepared. A comprehensive plan

for building a system of hard-surfaced roads, over a period of years, had been worked out. It was dovetailed into the program for building up the dairy industry in the county. The committee's report presented the arguments clearly and made forcible propaganda. Mass meetings were held in Cedarville and throughout the county, at which the plan was presented both by business men and farmers. By the day of the election, interest had been aroused to a high pitch. The bond issue was approved, and the success of the chamber's program was assured.

This was six years ago. Today Cedarville has three creameries doing a business of over \$2,000,000 a year. Hamlin County has 300 miles of hard-surfaced roads. There are some 80,000 cattle in the county, of which 20,000 are dairy cows. With the development of the dairy herds has come an upbuilding of the swine stock. A recent census gave a count of 50,000 hogs in the county. Two milk condenseries have been located at strategic points in the county outside of Cedarville. The county has its cow-testing association, and the dairy industry and good roads campaign is still going on.

The Cedarville Chamber of Commerce has grown with the town and has the wholehearted support of its business men. It still works on a definite budget and practical program of activities. Realizing that enthusiasm is the vitalizing force that keeps individuals and organizations moving, acting, creating, achieving, it has undertaken other things besides its hard-surfaced roads and dairy industry campaign. It has been instrumental in obtaining for Cedarville an improved water system. It is at present studying the problem of local school facilities. These new tasks and activities have added strength to the Cedarville Chamber. Its offices, which are centrally located, have about them an atmosphere of permanency. It is particularly fortunate, many people think, in its energetic, full-time secretary. His name is Brooks.

The War to Save Our Crops

By F. M. RUSSELL

United States Department of Agriculture

A STEAMER from Nassau recently made its way into port at New York City and, as is done with all incoming vessels, was met at the dock by the numerous custom, immigration and other federal officials, to see that the cargo on board, human and otherwise, was landed in accordance with the existing laws of this country. Among those who meet incoming vessels are inspectors of the Federal Horticultural Board of the United States Department of Agriculture, the body that administers the various plant quarantines at ports of entry to see that insect and fungous pests which do millions of dollars damage annually to domestic farm crops are not admitted. Inspectors of the Federal Horticultural Board work in close cooperation with other governmental agencies.

In the cargo of the Nassau steamer was a shipment consisting of two barrels and one case of fruit which the horticultural inspector was called upon to examine. This shipment was sworn to personally by the importer who packed the goods which he alleged contained no yams, sweet potatoes or sugar cane, all of which are forbidden entry into this country because they may carry injurious insects or diseases. In the case of

fruit 38 pieces of sugar cane and 38 yams were concealed. In one barrel were 50 yams, a bunch of bananas, a number of coconuts and 3 squash, all securely packed in hay. The presence of the contraband led the inspector to look through the entire barrel. He found a wooden partition in the middle and below it, covered with hay, were 12 quarts of liquor. The liquor was turned over to customs officials, the importer was fined \$35 and forced either to ship the contraband plants out of the country or abandon them. He chose the latter course and the inspectors immediately burned the material.

This inspector was one of the many sentries constantly on the alert to prevent a certain class of importers and exporters from evading the strict plant quarantine laws of this country and thus adding to the already heavy damage done each year by insects and diseases brought in from abroad.

An interesting, and what might have been a serious importation from Brazil, was recently intercepted by inspectors of the Federal Horticultural Board. It contained, among other things, orchids, various tree seeds, and fifty odd packages of cotton seed. The cotton seed was found to be infested

with the pink bollworm. The package in question was in the possession of a passenger who proposed taking it into the cotton-growing region of Mississippi. Probably he was quite unaware that his package contained representatives of the cotton scourge. Many others act innocently, not knowing what damage their insignificant shipment might bring in a few years' time; others act deliberately with a desire to evade officials.

Notwithstanding Quarantine No. 12, which prohibits the entry of avocados from Mexico and Central American countries, attempts are repeatedly made on the border clandestinely to bring in this much desired fruit. In one case avocados were placed in loaves of bread but they were intercepted by inspectors.

A careful examination of Mexican corn offered for entry into the United States recently disclosed the fact that it was frequently contaminated with cotton seed and therefore might be the means of introducing the pink bollworm. Horticultural inspectors have intercepted four potato weevils not known in the United States. All of them were found in shipments of potatoes from South America. Other similar examples might be cited.

Conservative estimates place the annual

loss to American agriculture from imported pests at about two billion dollars, not including the destruction done by imported plant diseases. Some of the worst pests have been brought in with insignificant shipments. A single trivial importation of Japanese iris brought in the Japanese beetle. It is acknowledged by governmental officials that this little insect cannot be exterminated, that it will continue to spread over the country and cause much injury to major agricultural crops. The San Jose scale was brought in some forty years ago with some Chinese flowering peaches. Today that pest costs America at least \$10,000,000 a year for

by 1940 the blight will wipe out all trees east of the Mississippi. New York and Pennsylvania have suffered nearly total destruction of chestnut. The disease is now spreading down the Appalachian Mountains as far as North Carolina and Alabama, and westward into West Virginia. The present stand of chestnuts is 19 1-3 billion board feet, valued at \$58,000,000.

The well-known boll weevil has settled down in this country to stay. Its annual board bill is estimated at \$200,000,000, with no prospect of a reduction. Figures issued recently by the Agricultural Department show that the 1921 loss from the weevil was

miles in the part of this area already under quarantine was freed of the restrictions, making a total reduction of more than 50 per cent since 1914. Under the new regulation of the board, the quarantine against the gypsy moth was extended to include the whole of the State of Massachusetts and 13 towns in Maine, 2 in New Hampshire, 11 in Vermont, and 67 in Connecticut. All quarantines in the respective states are as rigidly enforced as are the laws at the ports of entry. No agency with the possibility of carrying the disease or insect is permitted to be taken from the section under quarantine into sections not quarantined.



Left — Where foreign plants are overhauled. No human import at Ellis Island gets more thorough examination



Right—Seeds from Holland being searched for contraband insects or plant diseases

spraying orchards and in reduced output and value of fruit crops.

Citrus canker, introduced with Japanese trifoliolate orange stock some thirteen years ago, has cost about \$2,130,000 of federal and state funds for control work. Orchards and nurseries valued at \$11,063,000 were burned to the ground in Florida and other Gulf States in an effort to control the disease.

A few Japanese flowering cherry trees brought in the Oriental fruit worm in 1911. It is now firmly established in half a dozen eastern states and is expected ultimately to spread to all parts of the country, causing a continual annual expense to fruit production of millions of dollars.

From Germany came the pine blister rust in an importation of seedlings of American white pine. The disease now threatens to wipe out our white pine forests. The present stand is valued at \$516,750,000 and the destruction has just begun.

One of the most spectacular scourges is the chestnut blight, brought in on a trivial shipment of Oriental chestnut trees. It has killed half of the American stand of chestnuts thus far and the prediction is made that

greater than any year previous. The other great enemy of cotton, the pink bollworm, was introduced from Mexico in 1916. Fifteen years ago the insect appeared in Egypt. From there it has spread to every cotton-producing country in the world.

Another imported pest is the potato wart, now restricted to parts of Pennsylvania, Maryland, and West Virginia. Wherever it appears it causes a total loss. The alfalfa weevil is also a foreign lodger brought in with soil about the roots of imported plants. It is now reducing the output of alfalfa in half a dozen states in the middle west. A very unnecessary shipment from Holland of blue spruce, a native American tree, established the gypsy moth, already widely distributed in New Jersey. The brown-tail moth came in roses probably from Holland or France.

Some idea of how the strict quarantine is maintained in states infested with these diseases and insects is seen in a recent order from the Federal Horticultural Board. The quarantine to prevent the spread of the gypsy moth was extended in New England. At the same time more than 2,300 square

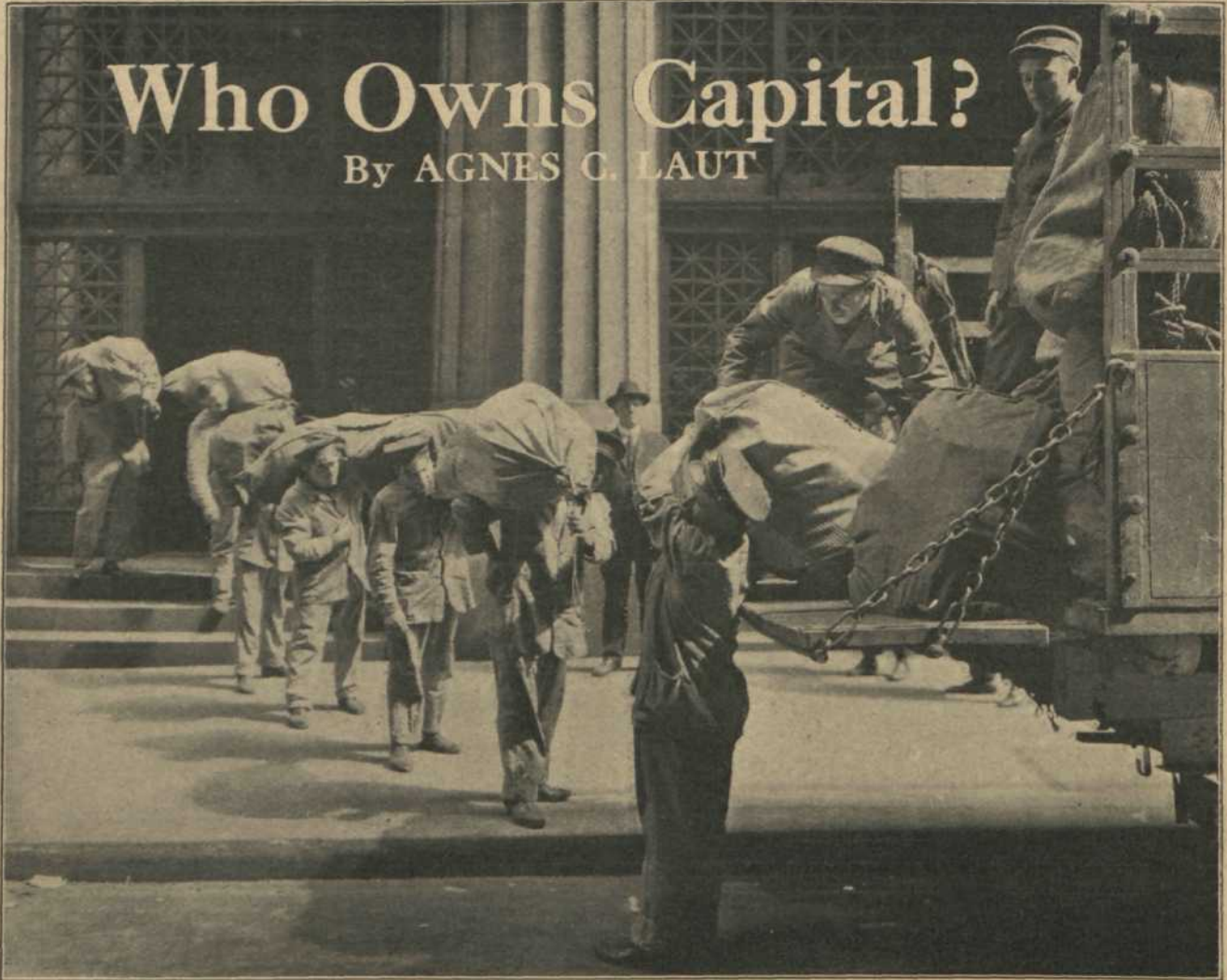
Before the quarantine was put into effect, plant enemies were coming into the United States with great rapidity. During the four years, from 1909 to 1912, when efforts were being made to put the legislation through Congress, the Oriental fruit worm, the Japanese beetle, citrus canker, potato wart and the European corn borer, all pests of major importance, became established in this country. Compare this with the announcement that no new important pest is known to have become established in the United States since the passage of the act.

Representatives of foreign countries have come to the United States asking that the quarantine be modified so that their people might ship more horticultural products to this country. It has been pointed out to them that the quarantine does not seek to exclude their plants but the pests most likely to damage our major agricultural crops, and that the quarantine regulates the importation of plants that are likely to carry pests.

Europe has no problem that compares to ours in the matter of plant pests and diseases. The wide range of climate in this country is a big factor against us.

Who Owns Capital?

By AGNES C. LAUT



Mailing dividend checks to the quarter of a million owners of the American Telephone and Telegraph Company

WHO owns capital?

Is it Wall Street, or the general public?

Is it the 1 per cent of income receivers, who receive 14 per cent of the nation's total yearly income; or is it the 99 per cent of the public, who take in 86 per cent of the nation's total yearly income?

It is an interesting question, this, in the United States today; for if there is one thing more self-evident than another it is that in the complex known as modern civilization, transportation and industry can only be swung in big units of capital.

Who owns that capital?

Is it the many or the few?

Formerly, a farmer could send his output to market with a \$250 team, a \$50 set of harness, a \$50 wagon—total investment in transportation \$350. Today he has to send his output to market over a railroad, which has to have millions invested in equipment. Then, he could defy transportation because he owned it. Today, who owns it?

Has capital a stranglehold on us in transportation?

People have a way of saying that the cheap motor truck—now as cheap as a team of horses, the harness and the wagon box—will snap the fetters of transportation round the shipper's neck; but the cheap motor truck had to depend on three other great industries behind it—

Steel.

Motors.

Gasoline.

Who owns the capital behind steel, motors, oil?

Has capital another clamp 'round "the serf's" neck there?

Modern business is built on big units of capital. You can't dissolve the big units without dissolving modern business, and you can't keep the capital pouring into that big business unless it earns as much interest on that form of investment as in any other.

And, needless to add, all these questions must be answered in terms of fact. The questions are not—What was the trend twenty years ago, or even ten years ago? The questions are—What is the trend in each of the great industries today?

Take the railroads first!

No other factor has done so much to centralize industry in great cities, and draw the little industries of cobbler, tanner, harness maker, flour miller, spinner, to the maelstrom of the big manufacturing centers.

As far as rail transportation is concerned, who owns the capital of the big railroads?

An answer is to be found in this table showing the number of shareholders of record at the end of the years designated:

	1919	1921
Atchison	52,445	63,008
Atlantic Coast Line	3,868	4,906
Baltimore & Ohio	32,650	35,650
Chesapeake & Ohio	8,133	9,604
Delaware & Hudson	8,602	10,590
Illinois Central	12,450	15,199
Lehigh Valley	16,942	17,949
Southern Pacific	41,659	55,705
New York Central	30,097	34,335
Pennsylvania	117,725	141,699

Of all the leading trunk lines in the United

States, the 433,621 shareholders in 1919 had grown to 509,003 in 1921.

But go a little deeper—1921 was a year of deflation. The inference would be that people with moderate incomes would shun investments in rails during such a period. Yet in 1921, Pennsylvania shareholders increased from 134,743 to 141,699, the average number of shares held being 71, which at \$45 a share is no great investment. More than 30 per cent of Pennsylvania shares are held by women. New York is supposed to be the center of "big money." The average number of Pennsylvania shares held by New York investors is 119.

Up in Canada, it is a stock argument of the glittering generalizer that Montreal represents "big business"; and of all the big business in Montreal, the C. P. R. represents the big power in banks, politics and business; and yet of all C. P. R. common stock and bonds seldom more than 17 to 20 per cent has been held by Canadian financiers. The 80 to 83 per cent is owned by investors in the United States and Great Britain.

As far as the majority of American rails are concerned, the public owns the capital. Over 500,000 people owned shares in 1921. In 1920, only 171,000 people paid taxes on incomes exceeding \$10,000 and under \$25,000; and considering the average number of shares held by Pennsylvania as under 80 each holder, the holders of rail shares come closer to the class having incomes of \$1,000 to \$2,000 than \$10,000 to \$25,000.

But if rail transport is to be displaced in part by motors, motors depend on oil.

Can anyone contend that oil is not owned

by "the big interests"? Motors also depend on steel. Who owns steel?

It is the basic industry in construction. It is supposed to be the barometer to good or bad times. Consider the number of holders of United States Steel shares. From 1913, the year before the World War, to the end of 1922, the total number of stockholders rose from 100,016 to 167,055. At the end of 1913, preferred stock was held by 75,034 persons, common stock by 40,060 persons, and preferred and common stock by 15,078 persons; for 1922, the Corporation's records disclose 81,880 holders of preferred stock, 106,200 holders of common stock, and 21,025 holders of preferred and common stock. The distribution of the holdings throughout the intermediary years is also significant of the trend toward a greater diffusion of shares, although there was a slight shrinkage during the war-years, 1914-1918, as is indicated by the accompanying tabulation of the number of stockholders:

Year	Preferred	Common	Total
1914	81,217	47,222	111,471
1915	86,500	57,097	125,276
1916	85,036	41,908	111,808
1917	80,400	42,425	106,729
1918	80,423	61,300	122,048
1919	80,000	77,926	136,653
1920	79,368	84,131	143,407
1921	81,600	104,697	165,120
1922	81,880	106,200	167,055

The number of holders of both preferred and common stock at the end of 1914 was 16,968; 1915, 18,321; 1916, 15,136; 1917, 16,096; 1918, 19,675; 1919, 21,273; 1920, 20,092; 1921, 21,177.

But behind all motor transportation is oil. Who owns oil capital in the United States today? Is it the "big interests," or the public? If that question had been asked fifteen years ago, nine people out of ten would have answered that "big interests" owned oil;

and of those "big interests" Standard was the preponderating power.

In March, 1920, the register of the Standard Oil Company of New York indicated 6,894 stockholders; in March, 1921, 7,538 stockholders; in March, 1922, 7,705 stockholders, and in February, 1923, approximately 13,000 stockholders. Apparently, the number of stockholders is increasing rapidly, and it is estimated by an officer of the company that before the end of 1923 the number of shareholders will be close to 20,000.

Today there is a cash investment in the United States in oil of \$8,000,000,000. Of the capital invested in the business of the 250 companies (of little independents there are 4,000 with 280,000 wells), the dividends paid to the investors in eight years totaled not quite a billion; but the investors put in almost another billion over and above their dividends. In the same period, the oil companies paid over a third of a billion in taxes.

The Capitalists of Yesterday

WHERE, then, are the capitalists of yesterday? They, themselves, of the old guard—with the exception of two or three—are dead; but where have the heirs of the "old guard" invested their money? Part of the answer is found in tax-exempt bonds bearing a far lower rate of interest but in the end coming back in public service just the same. In Liberty bonds, Federal Land Bank bonds and tax-exempt municipal and state bonds, over \$30,000,000,000 has been invested since 1910.

So one could go on down the list analyzing who owns capital in implement companies, in motor stocks, in telephones. International Harvester, for instance, today has 17,800 shareholders.

The number of stockholders of the American Telephone and Telegraph Company at the end of December, 1900, was 7,535; the number at the end of December, 1921, was 186,342, of whom 76,085 held less than 100

shares each, and 147,991 held 25 shares or less. The number of men and women stockholders was approximately equal. The number of stockholders at the end of December, 1922, was 248,925—of these, 236,241 held less than 100 shares each, and 198,028 held 25 shares or less. The average number of shares owned by each holder of record was approximately 28. A similar wide distribution of stock holdings is disclosed by the books of four of the Associated Companies, namely the Southwestern Bell Telephone Company, the Chesapeake & Potomac Telephone Company of Baltimore, the Wisconsin Telephone Company, and the New York Telephone Company—151,510 persons bought 451,656 shares of the preferred stock of those companies, an average of approximately 3 shares to a holder.

To the question—Who owns capital today in the United States?—there is only one answer. The public holds the bag through the small investor; and nationalizing would simply entail the buying out of the small investor by the Government. This would mean heavier taxing of the public to buy out the small investor.

The point to be figured is: Would the profits paid by these great public utilities and industries pay back into the public treasury enough to reduce the taxes on the capital put up to buy them out; and is the public ready to pay a higher rate of taxation to carry these great units in years when returns show a loss, as they did in 1920-21?

The Canada Nationals are an example of this. One-third of Canada's national income has to go to carry her nationalized rails. Is Canada today reaping the benefit of that outlay? She is not. The C. P. R. wants a reduction in rates and cannot obtain permission to put it into effect, because the National System cannot operate with a reduction of rates and not tax Canada more for that reduction.

The World of Business at Rome

By JULIUS H. BARNES

AT ROME during the week of March 17 there assembled business leaders from twenty countries. These men were drawn together through the International Chamber of Commerce in an earnest effort to contribute business experience and business conviction toward the solution of problems which affect world-wide recovery of trade and industry.

It is significant and heartening that a congress of business men, in which the major note struck was the necessity of stimulating individual initiative and private enterprise, should have had its welcome extended by the Italian Premier, whose spectacular rise to power rests on his declared convictions against the efficiency of State ventures.

On the opening day of the Congress, Premier Mussolini, addressing the delegates, declared that the State must renounce its economic functions, especially those of a monopolistic character. "I am convinced," said the Premier, "that a government which wants quickly to uplift its own people from the after-war crisis must give free play to private enterprise and forego any measure of state control or state paternalism, which, as shown by experience, will in the long run turn out to be fatal to the economic development of a country."

Strong words these and especially signifi-

cant from this strong personality and in a country of such extended experiments in government operation.

The resolutions of the Congress expressing business conviction on the important problems of after-war settlements and on the stimulation of production were framed in the American manner of laying down the essential principles that must be observed, leaving the application of those principles in detail for later adaptation.

Organized business was represented by an unusually strong delegation of more than one hundred Americans, among the total attendance of half a thousand.

The expressions of the Congress on the important subjects of after-war problems, and on principles of production, had been discussed and formulated in advance by the American delegation. And it is nationally gratifying that the proposed expressions, submitted for several days' earnest consideration by delegates from countries of conflicting interests and different opinions, were finally unanimously adopted with no change of principle and only such change in phraseology as avoided any possible offense to individual sensibilities.

America had one clear conviction for its guidance. This was, that transcending in importance all the details of plans of settle-

ment was the requirement that a settlement, when made, should recognize and incorporate certain fundamentals establishing the conditions under which industry was made secure, investments and loans were made safe, and the processes of human earnings and human savings could be stimulated toward the ultimate redemption of these war burdens.

America knows that national prosperity and national wealth, as also individual, depend in the last analysis on earning and production which exceeds consumption.

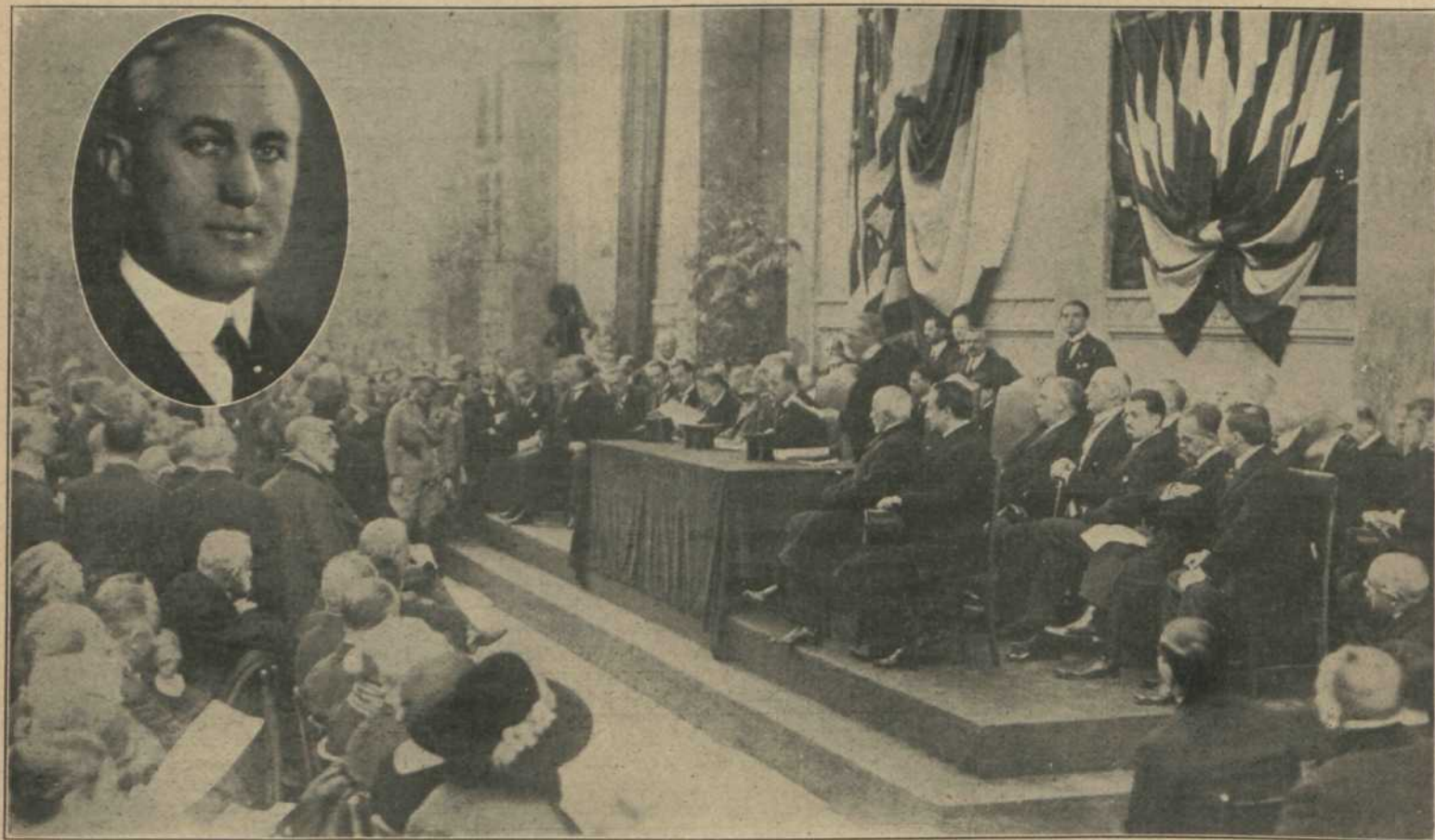
America knows that increased aggregate production is not alone sufficient, but that by increased human effort and by aid of science and invention, production per individual must be maintained and increased.

America knows, besides, that earning and production per individual is steadily increasing and that, if conditions could be created in Europe, by which the processes of industry were set in motion, this great law of increasing earnings would liquidate war burdens with less distress than now seems possible.

The work of the Congress, therefore, fell naturally into three divisions:

First: Essential principles which must be incorporated in any lasting and effective settlement of after-war problems.

Second: The principles of individual pro-



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International Chamber of Commerce in session at Rome, with a close-up of the new president, Willis Booth

duction which create individual and national earnings and savings.

Third: The practical facilities for encouraging and stimulating trade processes.

After-War Problems

IT IS a sincere test of any formula to submit it to the requirements of national interests so vital and so conflicting as, for instance, France and Germany.

It is a great encouragement that the formulas of simple requirements framed by the American delegation were neither curtailed nor extended.

It is a further encouragement that these principles are recognized as not only comprehensive but so fair that they must eventually come into play in whatever final and effective settlement is made of these vast and intricate problems.

The prime essential in such an effective settlement is one of good faith; that there shall be no concealed purposes nor undeclared reservations by those who must participate in the ultimate agreements.

If, for instance, Germany through its responsible representatives was today ready, as it declares itself to be, to recognize its moral obligation to repair great wrongs by supreme efforts made in good faith, then it would seem that human judgment is capable of ascertaining amounts and details and of prescribing certainties and guaranties for performance and for security against future aggression, without burdening the productive power of Germany with its first charge of one hundred million dollars for military occupation.

If, on the other hand, there is grudging acceptance of terms forced upon it; if there are reservations against a day of revenge; then the basic requirement of security against recurring war alarms is defeated and the processes of healing clearly obstructed.

Assuming that there is entire good faith; that there is a recognition that the future welfare of peoples rests rather on conditions which promote opportunity and employment than on the nursing of real or fancied national injuries, then, there comes into play the formula of essential requirements outlined in the Rome resolutions.

There are in such a settlement five areas which demand both economic and political wisdom. The business men of the world appreciate the problems of administrators and statesmen. They are desirous of recording their judgment of the economic aspects which must be incorporated in a lasting settlement. In these five fields, then, the business judgment of the world has recorded as essential these principles:

First: As to Reparations: The aggregate must definitely be fixed within the resources and earning power of Germany devoted to the utmost in good faith.

That there must be certainty of payments under such determination.

That there must be, besides, security against similar future aggression.

Second: As to the Allied Debts: No general principle of cancellation or remission must undermine a high standard of integrity in international obligations, but individual cases may be surveyed in the light of the ability of the debtor to pay and that ability weighed as affected by any recasting of expected reparations payments.

Third: As to National Budgets: That income and outgo must bear some proper relation. That current expenses should not be met by issuing paper currency pledges.

Fourth: As to International Credits: That governmental loans are objectionable because of their political complexion. And, that adequate private loans for development will be defeated without sound budgets and the elimination of inflation.

Fifth: As to Exchanges: That artificial stabilization is dangerous and undesirable, and that the ultimate goal should be the gold parity attained under natural influences.

The International Chamber of Commerce directed that a special committee actively endeavor to have these principles made effective at the earliest possible moment.

The Chamber elected as its new president, an American, Mr. Willis H. Booth, of New York, and immediately set up an international committee to further the adoption of these principles, composed as follows:

Mr. Willis H. Booth, of America, Chairman ex-officio.

Mr. Fred I. Kent, of America.

M. Maurice Despret, of Belgium.

M. Maurice Lewandowski, of France.

Sir Felix Shuster, of Great Britain.

Sig. Alberto Pirelli, of Italy.

Mr. W. Westermann, of The Netherlands.

Mr. K. A. Wallenberg, of Sweden.

No man can say at present what the next step will be in making these principles of settlement effective by agreement and adoption. But, every man who studies the foundation of reviving industry in Europe, appreciating the vast quickening of human activity which would follow the establishment of such a foundation for industry and trade, and every man who recognizes the fairness and justice of these declarations, will feel confident that the day must come, and soon, when their influence will be felt.

Stimulated Production

AS TO the principles of Production, on which European recovery would be made secure: This declaration also rests on the conviction of actual test and experience in America.

Briefly; this declaration is a challenge between two theories of Production; theories so fundamentally opposed that a conflict is in-

avoidable. There is, first, the American theory that individual production, stimulated and increased by individual human effort and by mechanical aid, does, by its economy of cost and by the earning power which it, itself, enlarges, make more secure the standard of common living and widens the circle of common possession.

The philosophy which it thus opposes is that deadening theory of production and employment as a known quantity which can be spread among more workers by a restriction on individual performance.

The Rome declaration on production declares these things as social injuries to every man, woman and child, with a far wider significance than any possible effect upon the welfare and earnings of industry alone:

First: To refuse to expand human production by the economical use of invention and mechanical appliances.

Second: To lower the effectiveness of nominal hours of labor by prescribing limitations of output or effort.

Third: To establish rules which require two or more workers to do work which may well be performed by one.

Fourth: To maintain in non-production, such as military service, men who can possibly be restored to productive industry.

The Rome resolution also declared in favor of such methods of payment in industry as shall reward superior individual effort.

It declared also for such governmental policies, especially through taxation, as shall not stifle incentive to enterprise and shall secure the enjoyment of the rewards of unusual productive effort.

It also declared for private enterprise as against State ownership and State operation, and justified this conviction by citing the record of relative failure of State experiments.

This declaration of principles will be cited with increasing frequency as time passes and undoubtedly will be increasingly used in industrial decisions.

Facilities in International Commerce

IN THE area of facilitating trade and commerce, the Rome Congress and its preliminary committee preparation made many recommendations which put in effect will greatly quicken the trade currents on which national and individual prosperity depend. In this field, summarized briefly, the Congress declared:

That the different countries should publish all changes in tariff rates, nomenclature and regulations prior to the application of such changes, and that a general index and explanatory notes be published in connection with customs tariffs by countries which have not already done so.

That the simplification of conditions governing the delivery of certificates of origin be examined, especially with a view to reducing and unifying, as far as possible, the fees collected by consulates on their delivery.

That the various countries examine the possibility of adopting the rule that in case of changes in customs tariffs the benefit of the old tariff, when more favorable to trade, be enjoyed by goods proven to have been directly shipped before the application of the new tariff.

That all necessary measures be taken to spare trade and industry any unjust discrimination in respect of customs or other similar regulations or procedure concerning the grant of licenses and methods of verification or analysis.

That import and export prohibitions or restrictions only constitute exceptional cases and that measures be taken promptly to reduce them to the smallest possible number

in all countries where they still exist; that the system under which licenses can be obtained be publicly announced, and clearly stated.

That the different countries take the most appropriate measures to prevent arbitrary and unjust application of laws and regulations with regard to customs, and to insure redress for such abuses, and that customs litigations be settled by a majority of persons independent of the customs administration of the importing countries.

That agreements be concluded under which importing countries will accept the certificate of inspection and guarantees of purity issued by the exporting countries, in connection with plant imports and other commodities subject to sanitary and similar inspection requirements.

That customs and other authorities should not have the right to confiscate goods on the grounds that it is prohibited to import them into the country or send them through in transit, and that reconsignment be allowed.

That the customs administrations of the different countries introduce in their internal regulations all necessary measures to simplify and accelerate customs operations as regards declarations and the passage of goods and travelers' luggage; that the system of international customs stations be developed.

That the system of temporary admission as regards materials to be further manufactured be established in all countries on liberal bases corresponding to the requirements of commerce and industry.

That the system of goods in bond be established in all countries and that it be as broad as possible.

That return goods be admitted free of duty, provided necessary proof is furnished.

That the elements used in applying ad valorem duty be determined in accordance with a uniform basis.

That the foregoing proposals regarding customs be submitted to the customs conference to be held by the League of Nations next October and that the conference take what steps are deemed necessary to put the proposals into operation.

The trade and industry group also gave attention to commercial arbitration, declaring it to be of the highest importance to the commerce of the world that the practice of international arbitration should be facilitated and extended. A resolution considered by this section and later approved by the entire Congress declares that all states should give the greatest possible encouragement to arbitration agreements and protection to parties to such agreements. National committees were urged in the resolution to press their respective governments to take immediate and practical action in this direction.

The Transportation group of the Congress dealt with a number of questions having to do with the transportation of goods in international commerce.

One of the most important of the declarations of this group, as approved by the Congress, condemns "a growing tendency on the part of some nations to view the exports from and the imports to their countries as national commerce and so claim the right to discriminate in favor of the vessels of the national flag against vessels of an alien flag. This declaration admits the right of the individual nations to subsidize its shipping and to regulate and restrict exports and imports, but denounces attempts to claim exclusive rights for the commerce of any country."

In this connection the Congress also took occasion to say a word against proposals that have been made which would restrict the

passage of immigrants to the ships of a particular nation.

Other declarations of the transportation group dealing with marine transport call for:

Adherence to the general practices existing before the war with regard to the settlement of general average.

Immediate application of "The Hague Rules, 1922" to ocean bills of lading through adoption of the draft convention agreed upon at Brussels.

Removal of difficulties which at present attend the use of shipping documents known as "received for shipment," B/L, etc.

Air navigation was covered in a resolution which recommends that national funds spent on aviation should be devoted in part at least to developing civil aviation, thereby creating a permanent and eventually self-supporting form of transportation, which at the same time would be available for national defense. The Congress recommended further that the International Chamber create a permanent international advisory committee, to include financial, industrial, legal and aviation experts, which would examine into the steps necessary to promote the international development of civil aviation for commercial purposes.

Railway Transportation

RAILWAY transportation was dealt with in a resolution carrying a number of recommendations, the most important of which are as follows:

That the management of railways under normal conditions should rest on private initiative.

That uniform gauge and interchangeable equipment be adopted as widely and as effectively as possible.

That delays at frontiers be reduced to a minimum by means of improved transport facilities, by free exchange of rolling stock and a liberal use of unbroken shipments and through bills of lading.

That a permanent committee on railway transport be created to study methods of making effective, in cooperation with other organizations, the foregoing recommendations.

The Congress came out strongly for simplification of passport regulations, declaring for an abolition of compulsory passports wherever possible, for discontinuance of all visa requirements except in special cases, for a reduction in fees for visas where visas may be required and for a general simplification of procedure.

Motor transport was taken up by the Congress, which brought forth a resolution declaring for a fostering of construction of national highways; for attention to the construction of international highway trunk lines; for simplification of laws and regulations applying to international motor transport, and for unification of regulations governing the type, equipment and operation of motor vehicles.

The Congress commended the work of the International Chamber's committee on trade terms and recommended distribution of a publication recently issued by the committee defining trade terms as now used in the important commercial countries.

While the Congress gave little time to speech-making a number of important addresses were made on the subjects before the meeting. These addresses were informative and showed that business men have been giving the most careful study to the underlying causes of the economic distress which now exists so widely throughout the world. There was evident a note of confidence in the progress toward recovery already made and a great desire to facilitate that recovery by helpful business experience and conviction.

The Railroads Plan for a Record

THE AMERICAN RAILWAY ASSOCIATION and the *Association of Railway Executives* believe that the railroads of this country will be called upon next fall to handle the heaviest business in their history.

At recent meetings they adopted a statement which, after noting that in the 37 weeks ended March 17 the railroads had broken all records for any corresponding period, goes on to say:

ANTICIPATING a still larger development in agriculture and other departments of industry with the resulting increase in tonnage, and for the purpose of meeting the demands of commerce in an adequate and efficient manner, individual railroads, in the fourteen months from January 1, 1922, to March 15, 1923, have purchased an aggregate of

223,616 new freight cars, of which 117,280 have been delivered and put in service, and on March 15, 106,336 were on contract for delivery during 1923; and in the same period, have also placed in service or purchased an aggregate of

4,219 new locomotives, of which 2,106 have been placed in service, and on March 15, 2,113 were on contract for delivery during 1923.

The numbers given, both as to new cars and new locomotives, are exclusive of subsequent orders which it is anticipated will be placed

by the railroads during the current year.

The significance and importance of these figures will be appreciated when it is remembered that the average number of new cars and new locomotives added over a period of ten years, 1913 to 1922, inclusive, has been 101,009 new cars per year

1,960 new locomotives per year and that during the two years and two months of federal control there were purchased a total of

100,000 new cars or approximately 46,000 per year

1,930 new locomotives or approximately 890 per cent

Aggregate carrying capacity of freight cars increased in the ten-year period 1912 to 1921, inclusive, 22.9 per cent; and aggregate tractive power locomotives increased during same period 40.8 per cent.

The railroads in full realization of the necessity for the greatest improvement and expansion possible of the country's transportation facilities to meet the growing demands of commerce actually expended in the year 1922—

For cars	\$200,000,000
For locomotives	45,000,000
For trackage and other facilities	195,000,000
Total	\$440,000,000

The railroads have authorized expenditures for equipment and other facilities which will

total approximately \$1,100,000,000 for the year 1923, distributed as follows:

For cars	\$515,000,000
For locomotives	160,000,000
For trackage and other facilities	425,000,000

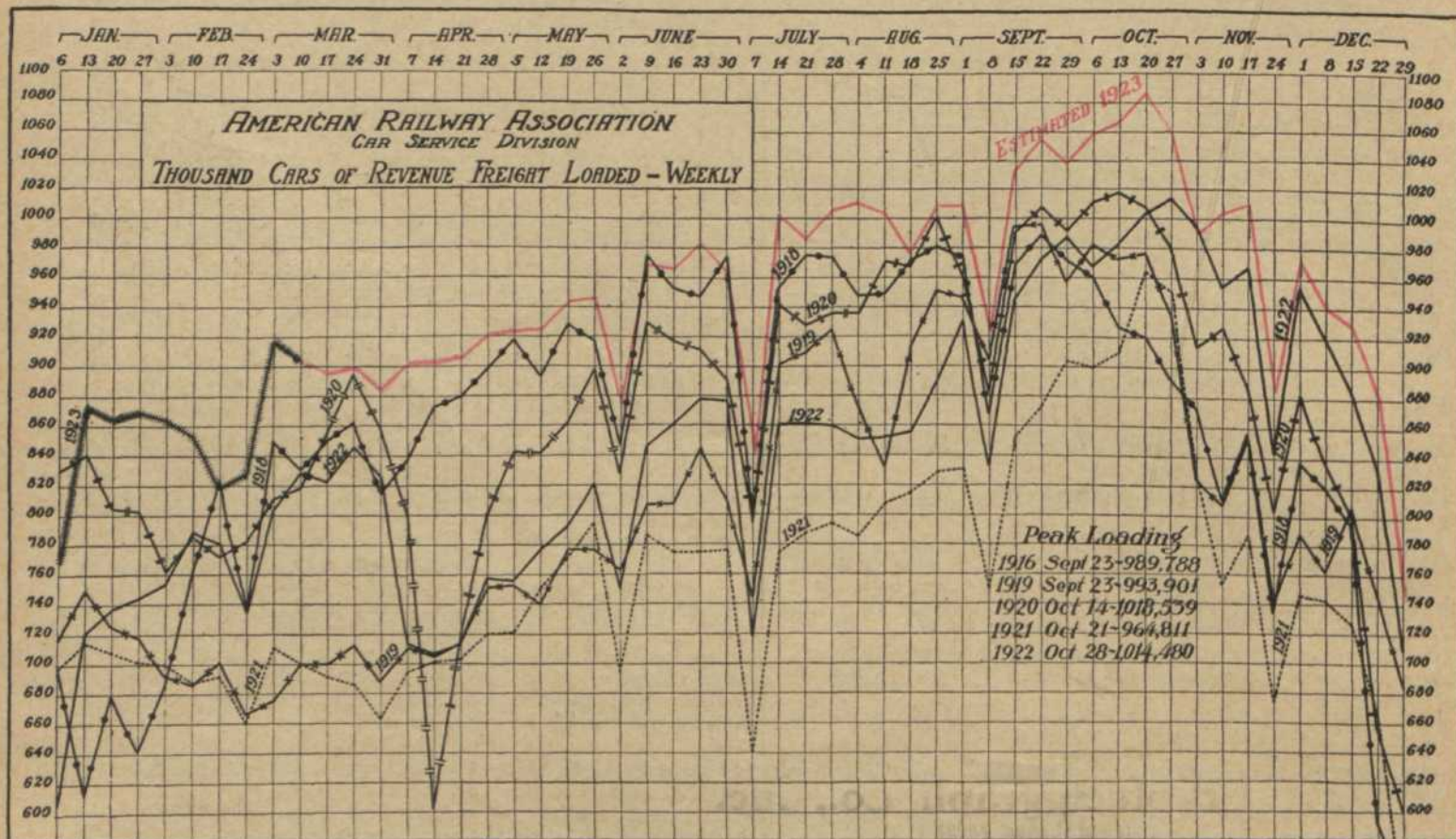
Total \$1,100,000,000

The railroads of the country are raising this enormous amount of additional capital largely through borrowed money on the abiding faith in the fairness of the American people and reliance on the continuance of the policy announced in the Transportation Act, 1920, as a measure of reasonable protection to investment in railroad property.

In order to bring about the most effective cooperation between the managements of the several carriers and to insure, to the highest degree practicable, adequate provision for the country's transportation requirements, a plan has been agreed upon which is set out in the following resolutions:

Resolved, First: That the report of the Car Service Division reviewing transportation conditions and presented at this meeting be approved, and that, in order to further improve transportation conditions and to make the best practicable provisions to meet transportation requirements as they develop, the following recommendations are adopted by the railroads as a definite policy and working program:

1. That by October 1, 1923, when the peak movement ordinarily begins, cars awaiting

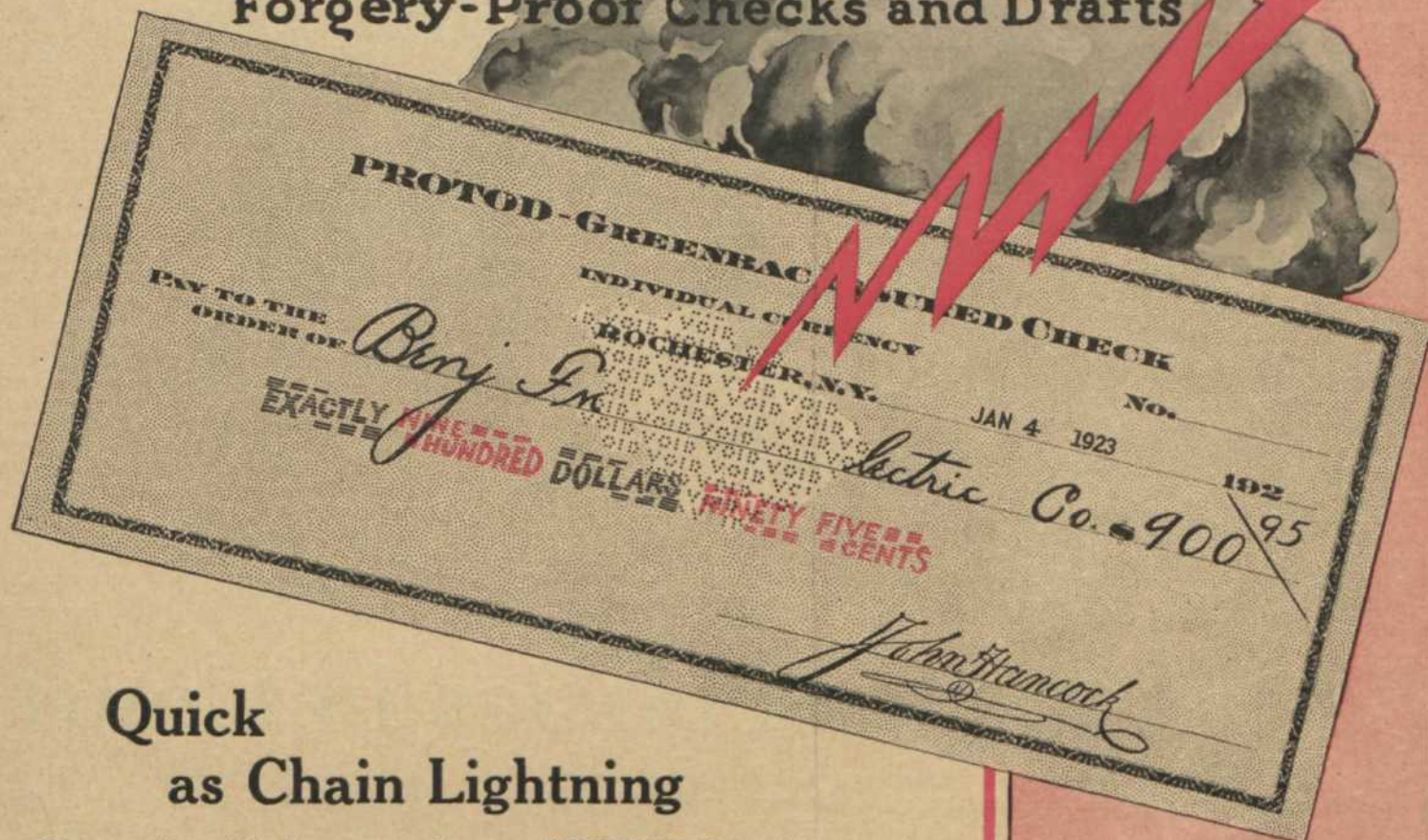


The red line in the chart shows the business the railroads expect to have to handle for the rest of 1923. It is figured in thousands of cars of revenue freight loaded. The railroads

look for such a strain on their resources this fall as they have never before had to handle. The black lines, variously drawn, show business for the years from 1918 to 1922 inclusive.

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Try to "wash" the name from a PROTOD-Greenbac check and, Presto! the magic "voids" flash out. Anything written on its face—date, payee's name, etc., is alteration-proof and forgery-proof.

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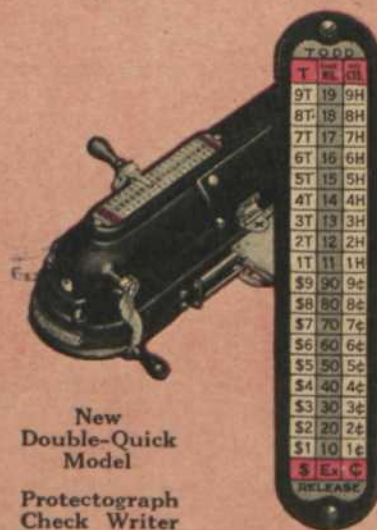
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Todd Protectograph Co., Inc.

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repairs be reduced to the normal basis of 5 per cent of the total equipment of the country.

2. That by October 1, 1923, locomotives awaiting heavy repairs be reduced to the normal basis for the entire country of 15 per cent.

3. That to the extent coal is stored for railroad use complete the storage requirements by September 1st so that after that date the equipment and other transportation facilities may be used to the greatest extent for commercial coal necessities.

4. That the use of power and equipment for railroad construction and maintenance purposes be restricted to the minimum after September 1st in order that a maximum of power and equipment may be available for commercial purposes.

5. That railroads in producing and consuming sections impress upon all interested necessity for movement of coal and ore via the Lakes in the largest possible quantity early in the season. That railroads serving upper Lake ports carry on campaign for early purchase and shipment of coal from the upper Lake docks to points of consumption.

6. That an effort be also made to bring about the prosecution of road and building construction work as early in the season as possible in order that equipment may be available for larger movement of seasonal commodities.

7. That all interested be impressed with the necessity for loading all cars to maximum capacity in an effort to bring the average loading to 30 tons per car for the entire country; for unloading cars promptly; increasing stor-

age facilities where necessary and practicable and providing adequate siding capacity to facilitate loading and unloading, thereby increasing the number of available cars.

8. That every possible means be adopted to increase the mileage per car per day to an average of thirty for the entire country, particular attention being given to prompt movement through terminals and yards and to the issuance of embargoes when necessary to prevent congestion.

Cooperation of shippers and the public in the past has been most helpful in bringing about heavier loading, prompt unloading and increased mileage per car, and only by their continued cooperation and their full knowledge of what this means to their own transportation requirements can results be secured in these matters. It will be understood that each individual railroad will cooperate with its own shippers to this end and the car service division will take similar action with national and district associations to bring about the fullest measure of cooperative effort.

9. In the event of a car shortage, reports to the Car Service Division should be carefully reviewed by each railroad organization so that the report will more nearly indicate the actual car shortage measured by the ability to load daily, rather than a cumulative shortage which does not reflect the daily existing condition.

10. The railroads have already established and have in active and effective operation a comprehensive organization in the Car

Service Division for the central control and distribution of freight cars which, during recent periods of car shortage, has under difficult conditions, secured to the public the best possible use of available freight equipment. The Car Service Division as a central agency, and through their district managers, together with the District Shippers Committees, which have been and are being organized, will keep informed of traffic requirements with a view to the equitable and timely distribution and handling of equipment.

The railroads pledge themselves to renewed and effective compliance and cooperation with the directions of the Car Service Division, asserting the belief that, with the new equipment on order and the program for rapid conditioning of equipment requiring repairs, the freight equipment of the railroads will be handled and used in moving the commerce of the country to the best possible advantage.

The cooperation of the public with the railroads and their officers and employees generally is invited in order that by a better understanding and united effort transportation may be facilitated and the needs of the country more promptly and adequately provided for.

Resolved, Second: That individual roads give to the general public and to the patrons of their respective lines information as to their program, and also keep them currently advised of the progress made hereunder, including, so far as the individual line is concerned, information as to the progress made in its locomotive and car repairs and other improvements in transportation facilities.

Settling Sales Policies in Court

THE SALES POLICY appeals to a manufacturer as pretty close to the heart of his business. In recent years questions have been raised which relate in one way or another to sales policy and which, in some instances, deal with matters which have long been accepted as beyond the possibility of doubt on either legal or ethical grounds.

It is not so very long ago that there appeared in the courts a legal action based on the theory that a manufacturer violated the Sherman Act if he refused to sell to a particular chain store. The courts put an end to this theory by saying it is still law that a person who has goods to sell can refuse an offer from anyone, and for any reason the seller may have, or for no reason at all.

Of course, if the seller acts in conspiracy with other persons, there is altogether a different question. So long as he is acting in accordance with his own independent judgment, however, he is only exercising old-fashioned and long-established rights. A later series of cases said that, while he could not pursue certain methods in trying to have wholesalers and retailers resell his wares at prices he might indicate, he was certainly within his rights if he let his desire regarding resale prices be known and discontinued selling to such dealers as did not care to respect his wishes.

In March, 1922, the Federal Trade Commission raised a new question in this general field. It then adopted the theory that, if a manufacturer made one price to concerns it classified as wholesalers and another to houses it considered retailers, he was guilty both of an unfair practice in competition and of a violation of that portion of the Clayton Act which forbids discriminations in prices for purposes of restraining competition. There was nothing in the Commission's declaration to indicate any belief on the part of the Commission or of anyone else that the Mennen

Company, which was respondent, and thus gave its name to the case, did not value retailers quite as highly as wholesalers.

On the contrary, the nub of the case was the question whether or not a manufacturer, in order to carry out his own ideas that the way to obtain the widest and largest use of his product is to utilize both wholesalers and retailers, could exert the influence of a differential in prices to keep his merchandise moving through the hands of wholesalers. Presumably, in view of earlier court decisions, the Commission would have agreed that the manufacturer could refuse to sell to any retailer. As the manufacturer did not select this course, the Commission in effect held he must sell for the same price to both wholesalers and retailers.

The Manufacturer Upheld

IN March, 1923, the Federal Circuit Court of Appeals, to which questions may be taken after the Trade Commission has expressed its conclusions, upheld the manufacturer in the right he asserted. In the court's opinion, he was free, not only to decide to whom he would sell, but to determine the prices at which he would sell to each customer or class of customers. As for the Clayton Act, the court said the provision related only to discrimination in prices made by one competitor in order to drive a rival out of business, and there was in this case no allegation of such a purpose.

The decision rendered by the Court of Appeals the Trade Commission has asked the Supreme Court to review. Whether or not the Supreme Court will take the view that an important principle of law is involved and grant the request remains to be seen.

Incidentally, another question came into the case. This was the propriety of the manufacturer classifying as a retailer a corporation which had been formed by a number

of retailers to make their purchases for them collectively. It is possible that the court might have disposed of this question by continuing its reasoning about the freedom possessed by an individual concern acting upon its own judgment, but the court turned aside to say something about the differences between retailers and wholesalers.

A mutual or cooperative corporation, consisting of retailers in the same kind of business and with its stock held by retailers, does not become a wholesaler merely because of the quantities in which it buys, the court said. The fact that retailers for their convenience see fit to organize themselves into a corporation which they constitute their agent for purchasing purposes does not change their character or convert them into wholesalers.

"Whether a buyer is a wholesaler or not does not depend upon the quantity he buys," the court remarked. "It is not the character of his buying but the character of his selling which marks him as a wholesaler. * * * A wholesaler does not sell to the ultimate consumer but to a jobber or a retailer. The persons who constitute these mutual or cooperative concerns are buying for themselves to sell to the ultimate consumers."

All of this would seem to mean, not that there is anything ethically or legally wrong in retailers acting together in proper ways, but that they cannot go to law and force a manufacturer to make prices to them which were in fact intended for another class of business houses actually, in the manufacturer's opinion, performing services to him which are not rendered by the retailers' buying concern and for which the difference in price is intended as a compensation necessary to keep the wholesalers' businesses in operation.

Of course, manufacturers' sales policies differ, both with their ideas and their circumstances. The Court of Appeals had



Setting the pace in modernizing Business

FORTY YEARS AGO, business figured with cramped fingers. It took time. It took labor. Accuracy was always doubtful.

Then William Seward Burroughs—a bank bookkeeper—became inspired with the idea that “machines could do the work of human brains” And suddenly in a tiny shop was born the first Burroughs Adding Machine.

Down through the generation the Burroughs ideal has helped business set a new pace. Here improvements were added; there refinements made. Variations finally led to new machines.

For instance, the Burroughs Duplex—two adding machines in one; the Burroughs Calculator for all kinds of rapid figuring; the Burroughs Book-keeping Machine with its automatic subtraction and automatic extension of balances; and finally the Burroughs Moon-Hopkins Billing Machine which writes and extends the bill in one operation.

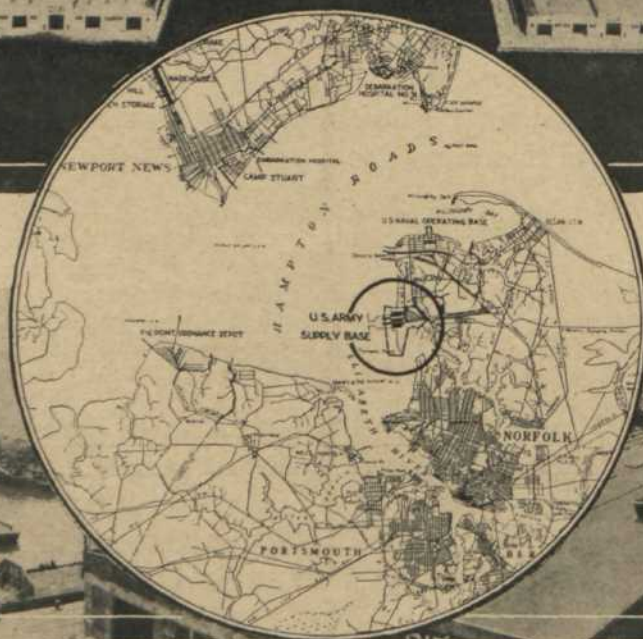
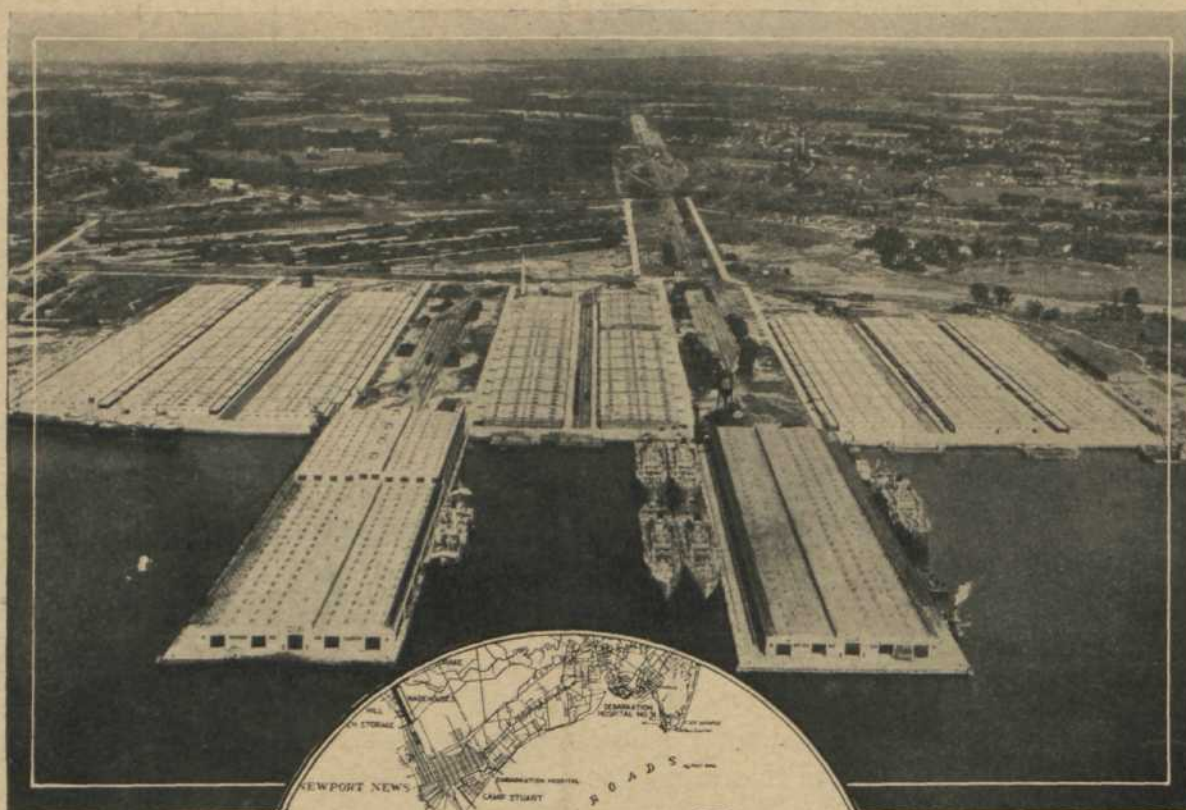
The Silver Panic, the clash with Spain, the Bankers' Panic, the World War, the period of Great Extravagance—waves of prosperity and retrenchment have alternated with each other. And through it all Burroughs has kept at its appointed task, serving “Better Figures for Bigger Profits.” The once tiny machine shop now covers twenty acres, the greatest institution of its kind in the world. It sets the pace in modernizing business.

**Better
Figures
make
Bigger
Profits**

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ADDING • BOOKKEEPING • BILLING • CALCULATING MACHINES

Another Army



WAR DEP

Base for Sale

Norfolk Army Supply Base for sale by Sealed Bid May 22nd

THE titanic army base on Hampton Roads needs no introduction. By location, and the marvelous development which the requirements of war brought about overnight, it is an unsurpassed plant for conversion to the use of a large industrial or commercial enterprise.

The War Department will offer this base for sale by sealed bid. All bids must be in before 11 o'clock, Standard Time, May 22d, at which time proposals will be publicly opened in Room 2024, Munitions Bldg., Washington, D. C. The Government reserves the right to reject any or all bids.

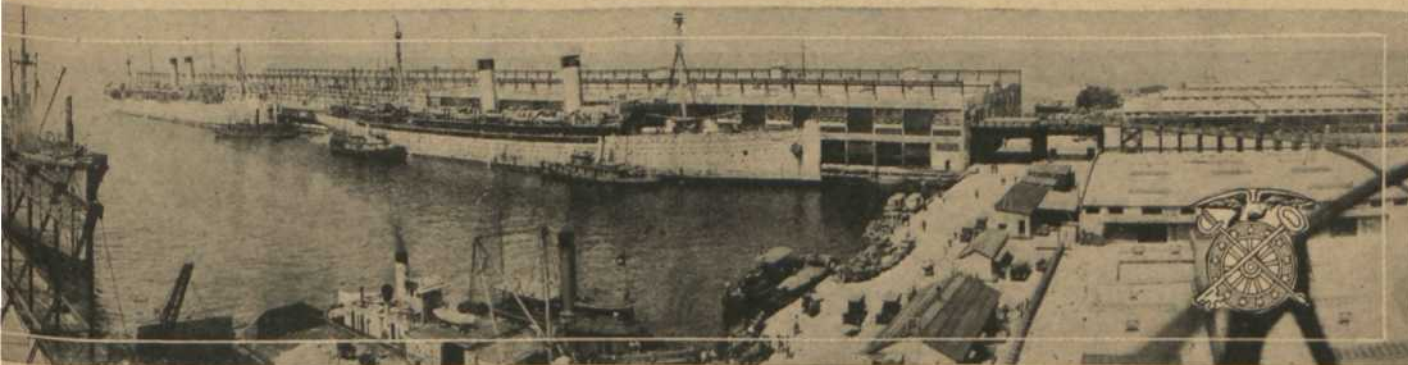
For proposal blanks and specifications write to Quartermaster General, Munitions Bldg., Washington, D. C., or Commanding Officer, Army Base, Norfolk, Va.

Norfolk as a commercial center is only emerging from its babyhood. It is served by eight trunk line railroads, over any of which direct shipments can be made to the Army Base.

The Base is on the east shore of Hampton Roads, six miles north of the center of Norfolk, at a point where the 40-foot dredged channel is 425 ft. wide. It is now

in active use and is offered as a going concern, with its concrete piers and quay, railroad yards, eight permanent warehouses, and a number of additional buildings. Complete power and lighting, water and sewerage systems are included. Here are the high spots:

- | | |
|---|------------------------------|
| 78.06 Acres of land east of Maryland Avenue (Railroad right of way) | 1 Coal Pocket and Trestle |
| 561.57 Acres of land west of Maryland Avenue (Base proper) | 1 Cinder Pit |
| 2 Piers | 1 Septic Tank |
| 8 Permanent Warehouses | 69 Miscellaneous Buildings |
| 3 Semi-permanent Warehouses | 1 Unloading Platform |
| 2 Portable Warehouses | 1 Steel Water Tank |
| 1 Sand Trestle | 2 Wood Water Tanks |
| 1 Coal Trestle | 1 Oil Tank |
| 50 Miles of Laid Track with car capacity for 3500 cars | 1 Main Heating Plant |
| 1 Magazine | 1 Individual Heating Plant |
| 1 Locomotive Repair Shop | 1 Fire Station |
| | 1 Pump Station |
| | 2 Concrete Reservoirs |
| | 1 Electric Sub-station |
| | 7 Garages |
| | 1 Track Scales |
| | 1 Dynamite Storage Enclosure |



ARTMENT

scarcely made public its decision upholding the Mennen Company's right to charge different prices to wholesalers and retailers when the Federal Trade Commission announced it had begun a case in which the manufacturer made no price distinction between retailers' cooperative purchasing concerns and wholesalers. To be sure, this was not the cause of the Commission's complaint. It was merely the origin of the situation against which the Commission undertook to

proceed. The difficulty which the Commission alleged in this different situation was that some wholesalers had by agreement undertaken to boycott and otherwise to coerce the manufacturer into changing his sales policy, and making a discrimination in their favor. The case upon which the Court of Appeals has passed contained no such element.

The fact that in this new case the manufacturer may sit quietly does not mean that he is not having troubles with other points

of his sales policy. As a matter of fact, in a case brought against him, his lawyers were almost simultaneously arguing before the Commission the legality of his guaranteeing jobbers who carried his merchandise in stock against losses when the manufacturer found it necessary to decrease his prices.

Even if a sales policy, independently and carefully constructed, may still cause unexpected questions, some fundamental principles are getting pretty clearly stated in the courts.

'The Return of the Middle Class'

A Review of John Corbin's Book

IF WE OWED no other debt to John Corbin for his "Return of the Middle Classes" (Scribner's), we should be grateful for his attempt to define that unhappy group. Mr. Corbin's world is like all Gaul, divided into three parts, capitalists, laborers and the middle class, a division with which we are all familiar, but with boundaries we can hardly define.

The human world about us has been divided into three before. The law creating the railroad labor board did it when it provided for representation on the board of the railroads, the railroad workers and the "public." But who shall bar from that third class the other two?

Mr. Corbin's definition of the middle class is simple. Paraphrased it is this:

"The middle class consists of those who, having to work, work with their brains."

The definitions of the other two classes follow naturally. Capitalists are those who do not have to work, although, as Mr. Corbin says, "He (the capitalist) may, and often does, work hard and most productively." The third class, largest in point of numbers, consists of the laborers, those who, having to work, do so with their hands.

With certain workers Mr. Corbin confesses to a difficulty, such men as farmers and railway engineers; but he bars them from his middle class, "for the best of reasons, namely, that they have made themselves remembered as organized groups."

Earlier efforts to delimit a middle class on the basis of income were always doubtful and fail miserable in a day when many teachers make less than even unskilled workmen. A Columbia professor undertook to draw the line at \$1,500 a year, but how frail such a barrier between laborer and middle class now seems. Other efforts hardly more successful have been to divide the population up by sources of income. But Mr. Corbin's definition, for Mr. Corbin's book at least, will have to stick. If not quite so picturesque as "white collar men," it is easier to apply. With this definition, it is not hard to place most of those around us. Mr. Corbin, who perhaps is known to more people as a writer on the theater than as an economist, is, we feel sure, middle class. We know that he works with his brain, and we suspect that he *has* to work.

Perhaps that explains the attitude towards that class which we sense in Mr. Corbin's book. It's not unlike that of a man to his relations. He'll speak ill of them himself, maybe; but woe to anyone else who does. It is to the decline of this middle class of brain workers that Mr. Corbin lays much of the world's ills.

They are those who have no union and never strike—individuals oppressed by inhibitions of dignity and respectability and timidity when

they ask for a bit more pay. But of all groups in the nation, the middle-class brain workers are the most cruelly and most ruinously abridged of their freedom.

Mr. Corbin sees this class as shoved to one side by labor from below and ineffective in making its needs known to the third class. It is the state of the women of this middle class that most moves him. To her the industrial revolution "has brought loss of all productive function—of everything that since the far dawn of family life, has made her self-supporting, self-respecting."

To the laborer, children are an asset, to the lady a liability. The worker accepts of the state free hospitals, playgrounds and schools; and when that preparation for life is no longer given to the child, the child goes to work.

The basic cause of race suicide in the middle class is not frivolity, not selfishness, but a maladjustment between income and function; brain-working folk can no longer afford to have children and raise them to the normal life of their kind.

Accept this, and couple with it Mr. Corbin's assertion that the reasons for the tragic collapse of Greece and Rome "are all comprised in a single phenomenon, once more in evidence today—the destruction of the only energetic and aspiring middle classes," and the outlook for the future is indeed gloomy. "They (the middle classes) and they only, are able to govern a nation with justice to all orders, to unite the people against senseless war, and to cultivate the arts of peace without its corruptions."

But Mr. Corbin is not hopeless. "The New Freedom" lies before us, and a part of his hopes are thus summed up:

As yet the relations of employer and employed are largely belligerent. But what if the decisive power ever falls into the hands of the middle-class leaders—at once the ablest and most widely human of their kind? They might, if they would, allay much strife—build a new palace of industrial peace and fruitful cooperation.

This "new palace" will be built on a wider recognition of the fact that ours is an industrial state; that Noah Webster's declaration that "a general and tolerably equal distribution of landed property is the whole basis of nation freedom" no longer holds good. For the union of territorial states which made this nation in the beginning has been substituted or added a set of industrial groups. As Mr. Corbin puts it:

Viewing the State of Massachusetts in its present and actual, rather than in its historical character, is it any more a "unit" of our life than the shoe industry or the textile industry, each of which, though it centers in Massachusetts, has a national extension?

Is Pennsylvania one whit more an entity than the coal industry: . . .

The United States of the twentieth century are the great vital organs of the body industrial. And they are as jealous of federal control as the territorial states once were.

But Mr. Corbin himself is not jealous of federal control. He senses the ineffectiveness of much government regulation, but he feels that still more is inevitable and prays that it may be wisely administered. Not for him that Whig definition of the early nineteenth century, which said:

"The functions of government cease with the protection of life and property and the enforcement of contracts."

Compare that with this from "The Return of the Middle Classes":

Progress in our economic and social life, and especially in welfare legislation, has been largely achieved through an abridgement of the right of contract.

Or this:

How far may we expect the process (the legitimate development of cooperation and combination in business) to go? One limit seems certain. It can only be led forward by the creation of commissions with large powers of fact-finding and specific regulation, or else by an analogous enlargement of the scope of cabinet members working through their departments. Both combination and competition must be open to the world and subject at every step to reasonable control by highly competent authorities.

And so the middle class is to return, shepherded and chaperoned by more commissions and more government employees. An inspiring goal, but what a price to pay!

But this widening of the "Rule of Reason" is to be supplemented by an Industrial Republic, where the now-trodden-on middle class would be restored to its place as "the right hand of capital . . . the right hand of labor no less." In a House of Representatives where the shoe trade as well as Massachusetts, coal mining as well as Pennsylvania, are represented, the middle class, from whom spring managers, might come into their own, and the middle class women find opportunity for more babies and, illogical as it may sound—but not to Mr. Corbin—for more work in the world.

An entertaining book this, and one which the theoretically Tired Business Man can read without adding to his weariness.

W. B.

Briefs on Business Books

MAN ALIVE, by Harvey Alvaro Blodgett, The Blodgett Press, St. Paul, Minn., 1922.

Who are the men making name and fame in America? the reader is asked in the foreword to Mr. Blodgett's little book. The answer is



ABOUT BUYING BUILDINGS

BY HAROLD K. FERGUSON

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The Ferguson system eliminates the too many cooks in the building broth. You deal with one organization and one only. One organization (incorporated and financially responsible) accepts full responsibility for design, construction and equipment in *one* contract guaranteed for *cost, quality and delivery date*. There can be no passing the buck—if mistakes are made, The H. K. Ferguson Co. pays the cost.

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one customer once but when soundly-managed institutions like The General Electric Co., The Proctor & Gamble Co., Showers Bros., The National Cash Register Co., Nordyke & Marmon and many others occupy from two to five Ferguson buildings, it proves Ferguson performance. In fact there is no better guarantee of the wisdom of buying from Ferguson than our list of repeat-customers.

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given in sketches of the lives of men who have triumphed over great handicaps. An earlier day and generation are represented by Grant, Greeley, Clemens, Lincoln, Garfield, and Cleveland, Edison, Hill, and Bell. Among the conspicuous figures who have place in the affairs of today are noted H. F. Alexander, Robert Dollar, Eugene Grace, Henry Ford, William Wrigley, Roger Babson, and Charles L. Cook. The careers of these men are examined by the author with the conclusion that they were set above the lower paths of life by the power within them, "which each himself discovered and developed."

The message of the book has terse and forceful expression in the plea "To hell with handicaps! Plant your feet solidly on the ground. Stand up straight, square your shoulders, hold up your head and get along with you!"

A word of warning against "hot talk" is carried in the closing paragraphs. "Don't be red, nor yellow. Be true blue" is the parting admonition. American ideals have bold defense in the recommendation that unbelievers "take ship at once for your kind of country." A short and simple prayer holds the essence of the author's creed, "May I go on from strength to strength; and if my dream is goaled among the stars, hold me steadfast to my aim."

R. C. W.

THE REORGANIZATION OF THE ADMINISTRATIVE BRANCH OF THE NATIONAL GOVERNMENT, by W. F. Willoughby. Johns Hopkins Press for the Institute of Government Research.

A proposed regrouping of all federal activities, with a cabinet of twelve heading these departments: State; Treasury; War; Navy; Commerce; Public Works and Public Domain (or Interior); Education and Science; Public Health; Justice; Post Office; Agriculture; Labor. A nice system on paper, but oh, the shrieks that would go up if even one tiny bureau is torn from the living flesh of a department. But why keep, say, the Public Health and Coast Guard Services in the Treasury? Or Washington Parks and Water Supply with the War Department?

SOME GREAT COMMODITIES.--Doubleday, Page & Company.

Ten monographs on ten basic commodities ranging from coal to wool. Written by six experts of the National Bank of Commerce. A convenient compilation of more or less predigested facts.

THE STABILIZATION OF BUSINESS. Macmillan Company.

Herbert Hoover introduces a troupe of five professors of economics, one director of research, one college president, one secretary of an association, and one manufacturer, each with a thesis on some angle of the business cycle and stabilization. An impressive list of contributors: Wesley Mitchell, Irving Fisher, Frank Haigh Dixon, John R. Commons, Lionel D. Edie, E. R. A. Seligman, John B. Andrews, Walter Dill Scott and last but not least, Henry Dennison, who runs a factory where theories have been successfully tried out.

THE RIDDLE OF THE RHINE, by Victor Lefebure. E. P. Dutton & Co.

The story of chemical warfare told with an eye on the German chemical and dye industries as a menace not only to our industrial welfare, but to our hopes for world peace.

TRADE ASSOCIATION ACTIVITIES AND THE LAW, by Franklin D. Jones. McGraw-Hill Book Company, Inc., New York, 1922.

The value of the services rendered by the trade association as an instrumentality of present-day commerce and industry can scarcely be overstated. "The strengthening of business ideals, the reduction of wastes and frictions of trade, the increased efficiency in production and distribution, the vast savings to the public, all of which have resulted from

the collective action of business men through their trade organizations," constitute but a part of the record of achievement of this form of cooperative business endeavor.

As a carefully prepared statement of the scope of trade association activity, drawn from the experience of a large number of organizations throughout the United States, Mr. Jones' recent book is one of very considerable merit. With an abundance of illustrative matter, the author discusses successively many of the varied lines of work in which trade organizations are now engaged, both in the interest of the membership and of the public generally--the framing of rules of business conduct, the dissemination of basic business facts, the promotion of methods of cost accounting, standardization, industrial research, cooperative advertising, traffic and transportation, commercial arbitration, foreign trade, and

the like. This recital alone marks the book as worthy of the serious consideration of persons interested in or actively associated with trade organization development.

In addition, Mr. Jones devotes some thirty pages to an examination of the meaning and purpose of the laws regulating competition as they affect the trade organization, supplemented by an outline of the collective activities which, by decisions of the courts, may be considered as prohibited under the law. The employment, in so far as possible, of non-technical language contributes not a little to the value of this phase of the presentation. The texts of the various Federal laws applicable to the discussion, as well as the correspondence between the Department of Commerce and the Department of Justice upon the activities of trade associations, are incorporated as appendices.--H. P. F.

What We Need to Know About Cycles

BUSINESS is always asking, "Where are we going?" Just now perhaps the answer is in one word, "Up." But how long up? The small boy throws his hat in the air and cries, "Everything that goes up must come down." Is that true, and always true, of industry? Is depression an inevitable follower of good times? Can we avoid bad times by keeping good times from being too "good?"

One heritage of President Harding's Conference on Unemployment was a Committee on Business Cycles and Unemployment named by Herbert Hoover and made up of--

Owen D. Young, chairman of the board, General Electric Co., chairman; Joseph H. De-frees, former president, United States Chamber of Commerce; Mary Van Kleeck, Russell Sage Foundation; Matthew Woll, vice-president, American Federation of Labor; Clarence M. Woolley, president, American Radiator Co.; Edward Eyre Hunt, secretary.

This committee has now set forth its recommendations in a pamphlet issued by the Government and sold by the Government Printing Office. The entire report in book form will be published by the McGraw-Hill Book Co., New York. It defines the business cycle, gives some striking instances of the need of further study of this phenomenon of American business, and then lays down its ten recommendations.

First the definition and here we quote:

The committee uses the term "business cycle" to describe the series of changes in business conditions which are characterized by an upward movement toward a boom, followed by a downward movement into depression.

Business men know that the term "business cycle" is too simple to describe accurately the complexity of the problems involved. In reality the name covers a long series of influences in which a more or less unknown part is played by the individual establishment, by the industry of which it is a part, by conditions in other industries, and by credit conditions and policies.

The recommendations with a note or two on them are:

I. COLLECTION OF FUNDAMENTAL DATA.

Individual business must help to contribute to a common reservoir which should be added to, and distributed by, the Department of Commerce. Statistics of employment are especially important.

II. LARGER STATISTICAL SERVICE.

More speed is vital. As one step, frequent statistics of these industries should be collected

by telegraph and published immediately: (1) raw wool and woolen textiles; (2) raw cotton and cotton textiles; (3) hides and leather and shoes; (4) iron and steel and leading fabricated products, such as structural steel and standard tools; (5) zinc, lead, and copper and leading products of each; (6) bituminous coal.

III. RESEARCH.

Business has recognized the need of research in the physical sciences as affecting industry. There should be the same interest in economic research.

IV. CONTROL OF CREDIT EXPANSION BY BANKS.

"One suggestion is that when prices are rising and business is expanding, bankers should ask borrowers to maintain an increasing ratio of quick assets to current liabilities."

V. POSSIBLE CONTROL OF INFLATION BY THE RESERVE SYSTEM.

VI. CONTROL BY BUSINESS MEN OF THE EXPANSION OF THEIR OWN INDUSTRIES.

"Planning production in advance and with reference to the business cycle, laying out extensions of plant and equipment ahead of immediate requirements with the object of carrying them out in periods of depression and carrying through such construction plans during periods of low prices in conformity with the long-time trend, the accumulation of financial reserves in prosperity in order to mark down inventories at the peak, and the maintenance of a long view of business problems rather than a short view, will enable firms to make headway toward stabilization."

VII. CONTROL OF PRIVATE AND PUBLIC CONSTRUCTION AT THE PEAK.

Mr. Hoover has recommended that the Government delay public works until times are worse. The committee thinks private business could do something on this line.

VIII. PUBLIC UTILITIES.

Railroads and other public utilities to "finance new construction in periods of depression when interest charges are reasonable and costs of construction are low." The aid of public service commissions and similar bodies will have to be invoked to make this possible.

IX. UNEMPLOYMENT RESERVE FUNDS.

A lack of data based on experience is felt in recommending methods "to provide reserve funds or savings during periods of prosperity from which the worker may draw during periods of compulsory unemployment."

X. EMPLOYMENT BUREAUS.

The recommendation of the President's Conference on Unemployment for a national system of employment bureaus is approved.

"MAN IS NOT THE CREATURE OF CIRCUMSTANCES. CIRCUMSTANCES ARE THE CREATURES OF MEN"—DISRAELI



THE LAND BEYOND

INTO the lives of most men comes at some time an urge—

An impulse to journey out and see what lies beyond the local horizon, to prospect other, newer lands.

The story of many a man's success is a record of that impulse acted upon—of a fortune founded in "the land beyond."

The Pacific Northwest is singularly rich in men who came—many of them empty handed—to see what the country offered. And found there opportunity, happiness and prosperity beyond the common measure.

This is an invitation to you to visit the Pacific Northwest. An invitation to invest in a vacation that will not only enrich your experience and broaden your horizon, but may change for greater happiness and prosperity your whole future life.

The gigantic forests, tremendous logging operations, saw mills and paper mills; the titanic hydro-elec-

tric power plants; the stupendous irrigation projects—all typical of the vast scale of things in the Pacific Northwest, are sights worth going far to see.

If your interest is in the soil, you owe yourself a first-hand knowledge of the marvelously fertile farming and fruit lands. Or stock: there are the superb dairy herds, the equally magnificent beef cattle, the great sheep ranches and the famous poultry farms.

Visit the world's largest salmon fisheries and canneries; the mines and oil fields; the great harbors of the Pacific Northwest ports.

And with these—and more too numerous to list—you will enjoy a scenic grandeur and climate that will make your tour an unforgettable pleasure! Yellowstone, Glacier, Rainier and Crater Lake National Parks, the Columbia River Highway, the Alaskan tour—numberless natural wonders that are nowhere in the world surpassed.

Everywhere in the Pacific Northwest—in the cities, in the country—you will sense a vastness of achievement, a rush of progress, the nearness of a great destiny—but more than that!

You will feel the realness of "equality of opportunity"—a higher valuation of the individual, and a larger chance for a man to succeed on his own resources.

Visit the Pacific Northwest!—not alone to see it, but to appraise it. Cover the ground yourself—weigh your abilities and means in the scale of its opportunities. Let your own judgment, based on your personal observation, decide whether or not this is the land for you.

Write for interesting booklet, "Through the American Wonderland." Address P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.



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To the Pacific Northwest
THE LAND OF OPPORTUNITY

Industry Grows More Active, and All's Well With the Farms, but Future Plans Are Made With Caution

By ARCHER WALL DOUGLAS

THE PRESENT widespread industrial activity is a striking instance of the close and intimate coordination of all economic life in this country. It is based primarily and fundamentally upon the greatly increased purchasing power of the many over this time some twelve months ago.

It had its beginning in higher prices for farm products and spread fast to every phase of urban life, as manufacturing and construction felt the impulse that came from the soil. In the great cities the new-born activity

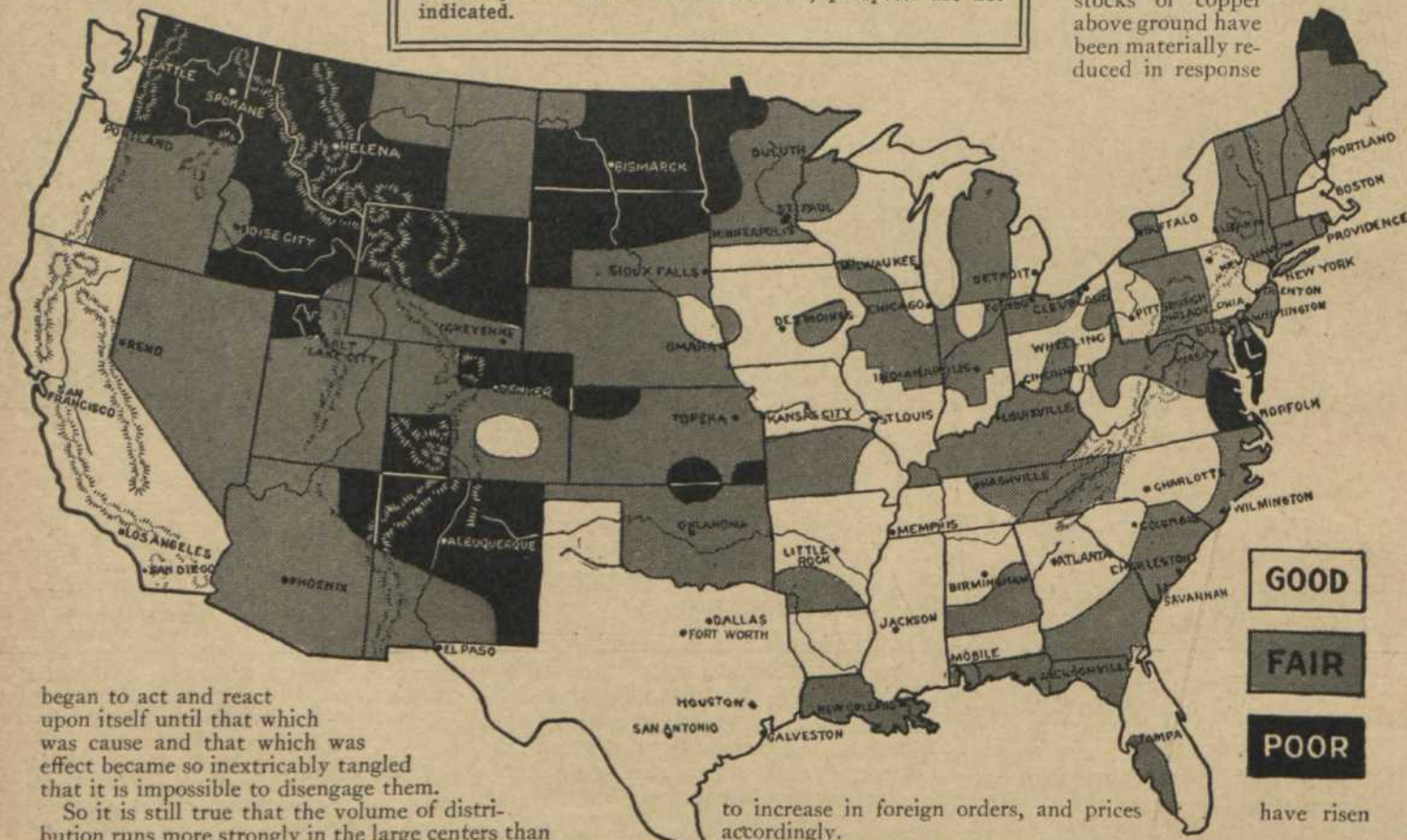
and the like. Being tax-free, these bonds find ready sale. Many large cities, and some smaller ones, are constructing public buildings, parks and playgrounds under the stimulus of newly awakened civic pride and the desire to keep pace with other enterprising and public-spirited municipalities.

Metal mining naturally feels the impulse of the large demand for the finished fabricated materials made from its ores. Lead and zinc are at higher prices because of increased production, and this is true of copper. The huge stocks of copper above ground have been materially reduced in response

Business Conditions, April 15, 1923

THE DOUGLAS MAP shows at a glance the general conditions of the country. Light areas indicate good crops, industrial activity, and "high pressure" buying markets. In the black areas these conditions are lacking. The shaded areas are half way.

In studying the map it should always be borne in mind that only actual conditions are shown; prospects are not indicated.



began to act and react upon itself until that which was cause and that which was effect became so inextricably tangled that it is impossible to disengage them.

So it is still true that the volume of distribution runs more strongly in the large centers than in the country side. Also in such centers it embraces a far greater field of luxuries and unessentials. Things to wear are in very great demand in strong contrast to the situation of some two years ago. This increase is not all due to larger and more general buying by consumers, but in considerable degree to the change in our mental attitude from conservatism and economy to the more pleasant and natural fashion of gratifying our desires.

This explains why the shoe business is so exceedingly busy all over the country, and why cotton fabrics are in demand despite higher prices, why the textile mills are full of orders, and in a number of localities are running at night.

These factors of material betterment and mental cheerfulness explain the tremendous production of automobiles and the steadily growing volume of building and construction despite constantly rising prices of materials and labor. Most of the constructive matters that we have been postponing are now coming in to swell the tide of production. Railroads have placed many orders for material and equipment. It is quite the fashion for cities and smaller municipalities to issue bonds for all manner of public improvements, waterworks, electric lighting plants, street railroads, hard surface streets, ice plants

to increase in foreign orders, and prices have risen accordingly.

Yet underneath all this promising state of affairs there is an uneasy feeling that all is not so well for the future as appears on the surface. Among retailers there is a reluctance to base selling prices on replacement costs until reduced stocks force them to do so. Cotton textile manufacturers apparently are following much the same method with their fabrics in relation to present figures of raw cotton.

There is general consciousness that prices of farm products and those of manufactured articles not only do not "gee," as is the southern phrase, but that they are getting more and more out of line as wages and costs of fabricated materials advance. And everybody knows what the answer to that tangle was, and will be again. Yet no one is greatly concerned about the immediate future, not for some months at least; and there is hope that matters will be remedied before they go too far, even if some things that are being done now have to be undone and likewise done over again.

But there is scant faith in an enduring period of prosperity until the economic problem has a better solution than now presents itself.

In ways agricultural, matters are going well on the whole, although the outlook is not for so large a crop of winter wheat



DEPARTMENT OF STREETS AND PUBLIC IMPROVEMENTS

CITY HALL

THOMAS L. RAYMOND,
DIRECTOR

NEWARK, N. J. May 1st, 1923.

To the Members of the Chamber of Commerce of the United States of America.

Gentlemen:

The city of Newark, New Jersey, has within the past few years undertaken a project which is destined to assume an important role in the future development of commerce and industry in the United States. That project is the development of Port Newark as a world shipping port and the improvement of the adjacent land for industrial purposes.

To those who are not acquainted with the territory adjacent to New York Harbor it is not generally known that Port Newark enjoys one of the most advantageous situations, from a shipping and manufacturing standpoint, to be found along our entire eastern coast. It is a fact, however, that Port Newark is the one deep water port within the harbor of New York, where lightering between steamer and overland carried is unnecessary. It is, moreover, the most abundantly rail-served location in the harbor, seven trunk line railroads from the interior converging there. Added to these advantages is the fact that Port Newark, only eight miles from New York City, lies in the very midst of America's great eastern market area, making overnight trucking of merchandise practicable to most of the greater cities of New England and the middle Atlantic states.

The combination of the foregoing advantages with a thoroughly sound and scientific development of the property and water-approach at Port Newark makes it almost inevitable that within a few years this spot should be a shipping center and manufacturing community of primary importance. To you, as representatives of the business men most interested in the future of American industry and commerce, the City of Newark extends an invitation to inspect its contribution to the nation's industrial resources.

A telephone appointment will place an automobile at the disposal of any members of The Chamber of Commerce desirous of accepting this invitation. We trust we may have the pleasure of entertaining some of your members during the convention, for the best success of which please accept our sincere wishes.

Yours very truly,

Thomas L. Raymond.

PORT NEWARK



Gain a Lap on Father Time

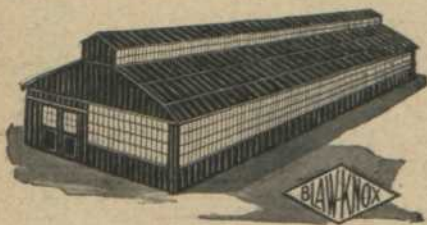
Speedy as he is you can beat Father Time when it comes to industrial buildings. We ship from stock—erect at once—save you time *and* money. Whenever you need a building it pays to get prices and plans on

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as last season. There is not as much wheat growing as at this time last year, nor is the condition so good. There has been undoubted damage in the western portions of Kansas and Nebraska, which are the leading states in production. All through the sections named, and in the western portion of Oklahoma, there was a long drought during the fall and winter, accompanied by severe cold weather. In Illinois, Indiana and Missouri, there was likewise much scattered winter killing, while reports of infestation by insects came from numerous localities. The effect of all these factors is to maintain fairly high prices on all grains.

The Late Season

AT this writing very little seeding of spring wheat has been done owing to a late, cold season. Moisture conditions of the soil in the spring wheat states are generally favorable, save in portions of Montana. In southern latitudes planting of all farm products goes as fast as widespread and heavy precipitation permits. The amount of acreage devoted to each product is in direct proportion to prevailing market prices. Consequently the cotton acreage will be limited only by the physical ability of the farmer and the extent to which he can finance his desires.

The belief is growing among the southern planters that the world shortage of this important staple is so great that the demand will take up any crop that it is possible to raise under the prevailing conditions of practically universal boll weevil infestation. All available means will be used to produce the largest possible crop under present conditions.

Poisoning methods against the boll weevil will be widely employed and more fertilizers used than last year. The fact that all other cotton-raising countries in the world are possessed by the same obsession as to production seems to be lost sight of in the enthusiasm created by prevailing abnormal prices.

The cooperative methods of marketing tobacco have by their financial results so encouraged its growers that the acreage this spring will be very heavy. These same growers are likely to find themselves up against the same problem that sooner or later confronts every successful cooperative producing organization; that of finding a constant market for the steadily growing production which always results from the success of their plan.

Damage to truck and fruit crops by the cold spell was neither widespread nor severe, save in scattered localities. All indications are for an enormous acreage of early vegetables this season. General rains in March and April revived pastures and ranges in the southwest.

Livestock is generally in good shape in all sections, and shipments to market are very heavy. Yet prices are fairly well maintained, especially in hogs. On the whole, farmers are satisfied with the situation for the time being, and are putting on an aggressive campaign of nation-wide production.

Italy Hitching Up the Streams

"White coal" is increasing in supply for Italy, under the impetus given by war conditions to development of water powers. During 1921 and 1922 no less than 67 new hydro-electric stations went into operation, and work was started upon 51 more. Something like \$150,000,000 will be put into these projects during 1923.

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Wipes
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STRONG and TOUGH

Here is a towel—more absorbent than linen—always fresh and clean—made from that toughest of fibres—Nibroc Kraft.

In color NIBROC is a rich brown like unbleached linen

In its "feel" it is velvety soft when moistened in use, and it makes the hands feel soft, too, for the unbleached Nibroc fibres possess a natural emollient quality.

But these fibres do not carry any of that lint or fuzz, or any of those harsh bleaching chemicals, that make white paper objectionable for wiping the hands.

NIBROC TOWEL KRAFT is unbelievably strong, and so highly absorbent of water that ONE NIBROC TOWEL WIPES DRY

Nibroc brings you a completely satisfactory towel service with real economy. The enameled steel Nibroc Cabinet, holding 300 towels, can deliver but one Nibroc towel at a time, and that towel comes fresh and clean direct to your hands.

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The Gasoline Pump in Court Again

THE GASOLINE PUMP, which has become almost as universal with us as the motor car, has now been discussed at length before the Supreme Court. The Federal Trade Commission held that it was unfair competition for a producer of gasoline to supply these pumps to wayside merchants and attach a condition that only the producer's brand of gasoline should be dispensed through his pump.

Four Federal Circuit Courts of Appeal disagreed with the Commission. Thereupon, the Supreme Court said the whole matter, in its legal aspects, was important enough for it to consider.

The oil companies themselves, the Department of Justice said in its brief, are divided in opinion as to the fairness and desirability of the practice, and the division of opinion runs through the companies regardless of size. The position of the Department of Justice in supporting the Trade Commission's view before the Supreme Court was that the ordinary retailer of gasoline has use for but one installation of equipment, to store, measure and deliver his merchandise and that consequently the restrictive covenant prevents him from selling the gasoline of a competing refiner.

The Department of Justice insisted that there is violation both of the provision of the Clayton Act against tying clauses and of the section of the Federal Trade Act forbidding unfair methods in competition.

The arguments were made in March and on April 9 the Supreme Court handed down its opinion, ruling against the Commission. It pointed out that the merchant who obtained from a company one of these outfits was perfectly free to obtain a pump from another company or to handle another company's product in any way he liked, except through the first company's pump. The contract under which he obtains a pump, "open and fair on its face, provides an unrestrained recipient with free receptacle and pump for storing, dispensing, advertising, and protecting the lessor's brand. The stuff is highly inflammable and the method of handling it is important to the refiner. He is also vitally interested in putting his brand within easy reach of consumers with ample assurance of its genuineness. No purpose or power to acquire unlawful monopoly has been disclosed and the record does not show that the probable effect of the practice will be unduly to lessen competition. Upon the contrary, it appears to have promoted the public convenience by inducing many small dealers to enter the business and put gasoline on sale at the cross roads."

This disposed of the case. The court went on to comment upon the powers of the Trade Commission. "It has no general authority," the court said, "to compel competitors to a common level, to interfere with ordinary business methods or to prescribe arbitrarily standards for those in the conflict for advantage called competition. The great purpose of both statutes (the Trade Commission Act and the Clayton Act) was to advance the public interest by securing fair opportunity for the play of the contending forces ordinarily engendered by the honest desire for gain. And to this end it is essential that those who adventure their time, skill, and capital should have large freedom of action in the conduct of their affairs."

Force is given to this decision and to these views by the circumstance that no member of the Supreme Court dissented. The opinion was unanimous.

INDUSTRIAL POWER FROM A TO Z

(Automobiles to Zinc)



IRE arms or ammunition—either word suggests REMINGTON-UMC for whom we designed and installed a 12,000 kw. industrial power station at the Bridgeport Works.

Regarding this installation REMINGTON-UMC wrote us: "*It has gone so smoothly and rapidly that we have intended writing you our congratulations on your magnificent work sometime since, but it is only what we confidently expected.*"

Among the wide range of sizes and variety of types of industrial power stations designed and built by Stone & Webster, there are doubtless examples of installations that closely approximate, if they do not exactly conform to your own present requirements for additional power capacity.

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Making Easy the Forger's Path

By HENRY F. WOODS

BUSINESS pays an annual tribute of about \$47,000,000 to a single class of criminals in this country. But this estimate of the money lost in the United States last year through the forging or alteration of checks did not surprise bankers, credit men, prosecutors and police. They know that in the men who prey on checks and other negotiable paper, they have to contend with the most cunning, resourceful and elusive crooks in the world of crime. And more than that, business has itself to blame, for carelessness causes most of the loss.

This \$47,000,000 estimate, made recently by the Forgery Prevention Bureau of New York, was computed on the basis that the annual losses through forged and raised checks in this country average one dollar for every \$8,000 cleared. The total bank clearings in the twelve Federal Reserve districts in 1922, as compiled by *The Commercial and Financial Chronicle*, were \$375,684,056,014.

On this basis the four cities having the greatest losses through check forgeries were: New York, in excess of \$27,000,000; Chicago, \$3,504,525; Philadelphia, \$2,811,250, and Boston, \$2,056,625. The losses by districts were: Boston (1st), \$2,349,279; New York (2d), \$27,657,398; Philadelphia (3d), \$2,990,495; Cleveland (4th), \$2,056,138; Richmond (5th), \$1,033,416; Atlanta (6th), \$993,182; Chicago (7th), \$4,824,266; St. Louis (8th), \$392,500; Minneapolis (9th), \$742,209; Kansas City (10th), \$1,595,167; Dallas (11th), \$553,000; San Francisco (12th), \$1,772,625.

This is not a sudden growth; losses have been piling up for many years at an estimated annual increase of \$1,000,000, and check users have been paying their tribute of millions yearly. It is not difficult to understand how these amazing totals are rolled up when these three factors are considered:

1. The enormous volume of check transactions in this country.
2. General carelessness in the handling and using of checks.
3. The effective organization and activities of forgers.

In no country in the world are checks used to the extent that they are used in the United States. The practical American mind has recognized their indispensable convenience and their value as a means of expanding currency. In 1885 there was nothing resembling a clearing house in this country; W. H. Kniffin, in "The Practical Work of a Bank," published in 1915, estimated that at least 95 per cent of our business is transacted with checks. The volume of business carried on annually in the United States, according to Professor Irving Fisher, of the Department

The Check User's Decalogue

1. Keep blank checks and cancelled vouchers under lock.
2. Write checks with safety ink or with a check writing machine that shreds the paper and impregnates it with the amount in in-eradicable ink.
3. In writing checks leave as little space as possible between the figures of the amount and start the written amount as close to the left hand margin as possible, drawing heavy parallel lines through the unfilled space.
4. Use only alteration proof check paper.
5. Destroy all checks marred in drawing and never permit a check to be issued with any erasures on it.
6. Do not issue checks to unvouched-for strangers and never make them out to "cash" or "bearer."
7. Do not sign blank checks.
8. Scrutinize all certified checks, as the stamps are not difficult to duplicate.
9. Be careful where and how you sign your banking signature.
10. On checks you deposit add to your signature "for deposit only," thus making it impossible for it to be cashed by a thief without alterations.

of Economics, Yale University, is approximately \$550,000,000,000, while the nation's actual currency in circulation on January 1, 1923, was \$4,732,898,991, a per capita of \$42.81 for an estimated population of 110,560,000.

The totals of money in circulation have decreased since 1920, thus requiring an increased expansion through check transactions, assuming that the ratio of total business turnover and total check transactions is maintained. In 1920 the money in circulation aggregated \$6,340,436,718, a per capita of \$59.12; in 1921, \$5,775,400,315, a per capita of \$53.03. Of course an annual business

turnover of this magnitude on an actual money circulation so relatively small would only be possible through extensive use of checks.

Every day some considerable part of this huge total of annual check volume is passing current in business as money, being accepted by the original payee, endorsed and passed on into new hands, so that the cancelled check finally returned to the drawer, often bears names of endorsers entire strangers to the drawer. This general use of checks has proved a great convenience in the transaction of business; it has given to checks something of the fluidity and currency of money, but this very widespread use of checks carries, although it need not, its own hazards.

These are the hazards of check raisers and forgers. It is an anomaly that even while checks are used as money and made to perform the functions of money, they are not really regarded as money by a majority of the very persons who so use them. At least, very many of the users do not guard their checks as zealously as they guard their money, and would seem to regard a check as a scrap of paper which, when duly numbered, dated, filled in with the name of payee, amount payable, and signed, performs all the functions of money, but somehow should be immune from the perils that beset money. Yet successful tampering with a check is much less difficult than a like operation with a banknote—and less hazardous.

Extraordinary precautions are used by the Government to protect its money from the operations of counterfeiters, forgers and raisers. Besides utilizing science and the skill of the most expert craftsmen in making its currency issues proof against the work of criminals, it supplements preventive measures with a secret service so vigilant, alert and relentless that the wise forger is unwilling to run the risks.

It follows that the favorite prey of forgers is the check or negotiable paper, and the enormous volume of such paper has given this



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ART METAL Steel Shelving

Notice in the illustration how the use of Art Metal Steel Shelving has made available for the storage of records every inch of space from floor to ceiling in this office of the Southern Railway Company, Washington, D. C. Supplied with or without doors, backs, or sides, Art Metal Shelving is adaptable to any space or to serve any storage purpose.

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New conditions in business have developed a new trend in banking

What the coming together of highly specialized organizations in the two great fields of banking means in the development of service to depositors

IN 1922, bank clearings in New York City alone were more than 213 billions of dollars—four times the corresponding amount for 1900.

Yet the business of the country has not merely grown in size—it has also become more complex. Markets for commodities which a decade ago were confined to the larger cities, today have been extended to every town and hamlet and farmer's home. Farm products, once seasonal, today are being delivered regularly the year round in every city of the nation.

Commercial banking transactions have consequently become more voluminous and increasingly complex—involving accurate knowledge of distant markets, rapid transfers of credit, expert advice in financing, and a multiplicity of services almost unheard of a generation ago.

This is why trust companies have added one after the other banking services of an entirely commercial character. It is why commercial banks have added trust services, personal and corporate.

But high grade services cannot be created overnight. They require time, experience, the growth of corporate judgment. The Irving Bank-Columbia Trust Company therefore considers itself fortunate in having been able to bring together into one organization two groups of special services seasoned by long years of experience.

Depositors of the two former institutions, those outside as well as in New York City, now have at their command an exceptionally well-balanced service for meeting every banking need.

IRVING BANK - COLUMBIA TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

NEW YORK CITY

highly organized branch of crime its great opportunity. These bands have discovered for themselves the weakness of the check system and have made it yield them enormous annual profits.

When check users begin to regard their blank checks as potential money and, when duly signed, as actual money, their wholesome fear for the safety of their negotiable paper begets precautions for its safeguarding; it is then that the weakness in the system is palliated and a start made in the direction of circumventing forgers. When the check user has reached the stage where he views his check as something to be guarded as he would guard his silver plate or other intrinsic and tangible wealth and seeks to provide it with safeguards that will protect it even after it has left his hands on its travels through business houses and banks in the circle of its ultimate return to him as a cancelled document, the operations of the crooked penman will be enormously reduced.

An experienced secret service chief once said that there were three main reasons for the errancy of checks: carelessness! CARELESSNESS!! CARELESSNESS!!! The Forgery Prevention Bureau in a recent statement recognized this as the basic cause, and issued the "Ten Commandments for Check Users" printed on this page.

Organized Check-Raisers

ONE thing that makes necessary this formidable list of "don'ts" is that the professional check forgers have realized the benefits of organization and have departmented their operations in a way to develop specialists, so that matching wits against them is no mean work.

It is probably because of the modern organization methods of forger and penman gangs that the bright particular stars among them do not seem to shine with the luster that of old made famous the names of Becker, Alonzo Whitman, George Wilkes, "Doctor" Doyle, Robert Knox, Stoddard and others. They were giants in their days, indeed, but their fellow-craftsmen of today if not more efficient, are certainly more successful; and that their names are not as well known is only because the modern system merges the individual into the organization.

Forgery as such is not so much practiced now as is the alteration of checks. In fact, the penman today prefers to retain the genuine signature on the check he remakes. Obviously it simplifies matters. But in other respects his task is much more difficult than that confronting the forger of an earlier generation, for the present development and greater use of protective devices stand in the way of successful alteration of checks.

In an older day not a great deal of skill was required for the actual work of alteration, for prior to the use of forgery-proof check paper and perfected check writers it was a simple matter, for instance, to add a "y" to the pen-written word "eight," thus changing a check for eight thousand dollars to eighty thousand. It was an even simpler matter to change the figures.

But check protection made progress and developed a higher skill, and a better organization of the former gangs followed. It was the battle of guns and armor plate all over again. For the actual work of raising and alteration of checks it was necessary to enlist mechanical, scientific and artistic brains, and the immense profits in the game

were sufficient to attract a high degree of technical skill.

This branch of craftsmen were known as "scratchers." They are the "penmen" of criminal lore.

Under organization, the work of realizing on the handiwork of the "scratchers" does not devolve on the craftsmen themselves. The problem of distribution exists for the criminal bands as the same problem exists for legitimate business. To attain this, the organized gangs have their "captains," their "middlemen" and their "presenters" or "putters down," forming the distribution forces of the gangs. The duties of each class are different and exactly defined and the team work is such that their operations are conducted with a system and smoothness worthy of a great corporation.

To the "captains" falls the lot of obtaining the raw material, which they do by purchasing small drafts or otherwise getting hold of negotiable paper. The favorite method has been to make a small purchase for cash at some large retail establishment and after a few days to return it on some pretext, at the same time requesting refund of the purchase money.

The refund usually is made by check with which the "scratcher" does his will. Another method was to obtain blank checks of a firm from the printer; but as this was required only in cases where checks were actually to be forged and is not in accord with strictly modern methods, it is not so common.

A method more in favor and more easy of accomplishment is to steal letters from the mail boxes of lofts and other places where mail is deposited in boxes in halls and corridors, and to rifle them for bona fide checks which are then altered and cashed.

The "middleman's" duty is to act as go-between and to keep the various members of the gang from becoming acquainted with each other. He never actually tampers with a check or attempts to realize on one that has been altered, but his functions are important, because in case of an arrest of any member of the gang the chances of conviction through the confession of another are thus lessened.

To the "presenters" or "putters down" falls the actual work of passing the forged or raised checks at the banks, after which they turn the loot over to the middlemen for division. Their duties call for a high degree of assurance, presence of mind, courage, resourcefulness and the ability to act a part.

The annals of the older generation of forgers abound in diverting tales of their ways and methods, which are illustrative of the superior order of criminal brains required for the business of making big checks out of little ones and of the great task their skill and cunning set the men who sought to prevent their frauds or to run them down after they had been perpetrated.

Tales of Other Days

AN example of the ease and success with which the old masters worked is the exploit in 1892 of one Shear or Slifer, who one day bought drafts at four banks in Lansing, Michigan, in the sum of \$18 each, and who raised each draft to \$1,800 and cashed them all at banks in Detroit. Slifer's \$7,200 clean-up was performed within the space of 24 hours.

The late Charles Becker, known in his day as the "Prince of Forgers," earned his title by many exploits requiring deftness and daring. A noteworthy example of his skill was his forgery of a draft in California



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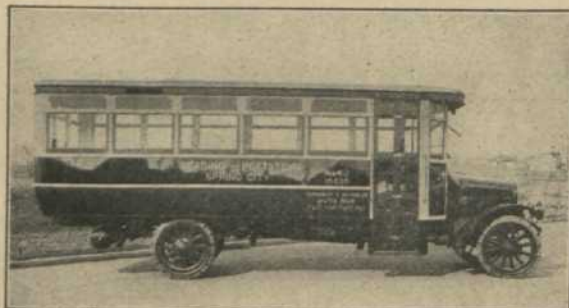
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Branches owned by this company operate under the titles of: "MACK MOTOR TRUCK COMPANY" and "MACK-INTERNATIONAL MOTOR TRUCK CORPORATION."

The Problems of Retailers

Many of our readers have asked us to publish a series of articles telling of the problems of retailers, and (wherever possible) how such problems can be solved.

We have three articles ready now—and one of them will be published in the *June* number.

in 1895. Becker had a confederate buy a draft for \$12 at the bank; the draft was made out on the "safety paper" of that period and the bank used the punched out figure device then in use by banks. As an extra precaution the cashier punched the figures \$12 in both upper corners of the draft.

All these precautions meant nothing to Becker as obstacles to his metamorphosis of a check. In his hand the perforations forming the first two characters were expertly filled up, after which he repeated the process on both corners. He then punched some new ciphers and characters of his own, erased the line after the written word "Twelve" and also erased the figures. After restoring the paper's tint, which had suffered by the erasures, he had a draft for \$22,999 so neat and workmanlike that he had no trouble cashing it at a Nevada bank.

It was a long time before the fraud was disclosed, for neither the Nevada bank nor the bank in California had noticed anything wrong about it. It was much longer, twenty years in fact, before the courts had finally decided which one of the banks involved in the transaction should stand the loss. And all the money had been spent when Becker was convicted of the crime.

Becker's proficiency in crime was the result of painstaking application which enhanced his natural talents. He had made a study of etching, engraving, painting and photography, and he used his knowledge of these arts in his chosen profession. His deftness was such that he could tear checks in half and return them so perfectly mended that his work could not be detected. He set at naught the protective devices of his day, which had not then attained the development that now makes successful forgeries less easy of accomplishment.

Modern Methods

BECKER was one of the pioneers in that school of forgers who believed less in forgery than in raising checks, a theory held to by the present day operators. Perhaps the most picturesque figure of all among the master forgers who flourished when the art of imitating signatures was a first requisite, was J. H. Stoddard, the hero of many notable forgery cases.

One of these brought him to grief and he was convicted and sentenced to serve a term in the Tennessee State Prison at Nashville. Stoddard had a sense of humor besides being an expert penman. After the busy and adventurous life he had led in freedom, imprisonment palled on him. So he wrote out his own pardon, forged the name of the governor of the state to the document, had it presented to the warden by a confederate then at liberty, and walked forth from the prison gates a free man.

Modern methods of forger gangs are less picturesque, but perhaps not less effective. They depend less on a single spectacular coup than on quantity production, where the individual profit is comparatively small, but the aggregate is large.

This is illustrated by the activities of a peddler of patent inks, who recently made the rounds of small country towns. He was a good salesman with a ready command of language and a graphic art, and he delivered his goods on the spot the moment the sale was closed.

His method was to call for the boss of the store, explain his selling mission, ask for a blank check of the prospect and fill it in for \$100, using ordinary ink from the stand on the merchant's desk. Then he would

draw from his sample case a small bottle of acid and with an acid bath wash clean the check he had just drawn. His next move was to take from his case a bottle of his patent, non-eradicable ink with which he would draw a new check for \$1,000 on the washed out blank check. Again he would bring the acid into play to give the newly written check an acid bath. But this time the ink would stand fast and repeated acid baths would fail to erase it. The salesman would then invite the prospect to try his hand at it, but the merchant would be no more successful in erasing the patent ink.

In most cases this demonstration was sufficient to close the sale then and there, the merchant tendering the peddler a dollar bill in payment for the magic ink. At sight of the dollar bill the salesman would assume a comic look of distress as he reached in a pocket and drew forth a roll of dollar bills of voluminous proportions.

"Look here what I've got to tote 'round with me, brother," he would say. "I've sold so many of these bottles at a dollar a throw that I'm getting lop-sided carrying my roll. If it's all the same to you, can't you give me a check for a dollar instead?"

A request so simple could hardly be refused and the check would be forthcoming. When, a week or so later, the merchant's cancelled check for \$100 would be returned it caused puzzlement, doubt and amazement, for beyond question it was the same check originally issued for \$1, with number, date, payee and signature unchanged. But the figures and their written amount had been changed so skillfully that the merchant would be at a loss to understand how it had been done, especially with an ink that he had seen with his own eyes to be ineradicable.

And to verify this he would apply the acid test, with the same result, for the ink would stand fast. After repeated tests, always with the same result or lack of it, he had an inspiration. He got soap and water and applied it with a cloth to the ink, which immediately faded away.

This was quantity production that yielded the itinerant vendor big returns, but not all the modern operators scorn a coup that will mean a big haul at one strike. An instance of this was in the operation of another "salesman" during the winter's coal shortage in New York. He took an order for coal at \$15 a ton, receiving from the purchaser a check for \$15, which he promptly had certified at the bank. He took the check to his home and very soon had metamorphosed it into one calling for the payment of \$15,000.

It was so excellent an example of the check raiser's art that it passed for a genuine certified check when presented for deposit at his bank and was accepted without question and credited to his account. In the bank it passed through many hands unchallenged and the penman dreamed happy dreams of the life of ease that would be his.

But several days later the accomplished coal solicitor by an unlucky chance ran into the man to whom he had sold the coal for the \$15 check, and the irate purchaser called a policeman and had him arrested, not, however, on a charge of forgery, but on the allegation that he was a swindler in having taken an order for coal which had not been delivered to the buyer.

The indignant customer knew nothing whatever of the liberties taken with his \$15 check—he had never been informed of the raising of the check since the bank people themselves did not know it was a raised check—and it was only through the arrest of the penman on this less serious charge that the forgery was discovered.



Translation of the Will of Uah

I, Uah, am giving a title to property to my wife Sheftu, the woman of Gesab who is called Teta, the daughter of Sat Sepdu, of all things given to me by my brother Ankh-ren. She shall give it to any she desires of her children she bears me. I am giving to her the Eastern slaves, four persons, that my brother Ankh-ren gave me. She shall give them to whomsoever she will of her children.

As to my tomb, let me be buried in it with my wife alone.

Moreover, as to the house built for me by my brother Ankh-ren, my wife shall dwell therein without allowing her to be put forth on the ground by any person. It is the Deputy Gebu who shall act as guardian of my son.

Done in the presence of these witnesses:

KEMEN, Decorator of Columns.

APU, Doorkeeper of the Temple.

SENB, son of Senb, Doorkeeper of the Temple.

The Oldest Known Will

THE oldest known will, discovered at Kahun, Egypt, was executed in 2548 B.C., more than a thousand years before the period of Tut-Ankh-Amen.

This ancient document is an interesting example of provision for the family, an ideal as old as civilization or the family institution itself.



The will of Uah in facsimile, free

A reproduction of the will of Uah, and a booklet, "Safeguarding Your Family's Future," which will help you in your plans for family protection, can be obtained at a trust company or by writing to the address below.

Your Will

Whether or not this will of antiquity was ever carried out is not known. In Uah's time there was no such organization as the modern trust company to assure faithful execution of the provisions of a will.

You, however, can make your will, knowing that your wishes will surely be carried out. Plan how you desire your family to be protected, how you wish your insurance and property conserved—then make your will and name a trust company as your executor and trustee. The perpetual corporate life, financial responsibility, and specialized knowledge of the trust company are assurance that your family's interests will be safeguarded.

TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
FIVE NASSAU STREET, NEW YORK



A Significant Business Development

ONE of the most significant developments in the present revival of prosperity in this country is the improved condition in the agricultural districts, especially in the West and South.

The great potential buying power of the farm population is due to the fact that nearly one-fifth of the national income is produced on the farms.

The improvement in purchasing power of the farmer is shown by the fact that during 1922, the gain in the average prices of farm products was 19 per cent., while the increase in the average price of all commodities was only 13 per cent. And the gross value of farm products in 1922 was nearly \$2,000,000,000 greater than in 1921.

This decided betterment in our principal industry is reflected throughout business generally. It emphasizes the need for adequate banking facilities by those who would take full advantage of present opportunities.

This Company offers complete banking services, national and international in scope.

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The Transportation Conference Under Way

AMERICAN business has locked horns with the greatest problem of the day—transportation. Never has such an attempt at constructive thinking on this question on a nation-wide scale been made.

Here is an effort to evolve the basis for a comprehensive transportation policy. That means to visualize the vast, intricate business of carrying goods by rail or truck or waterway as one ever-expanding, inter-related system—the nervous system of the nation. Upon its health and vigor and tireless energy rests the future of America as a nation, of Americans as a people.

It is the shuttling carriers of commerce, our work-a-day burden bearers, that make America. They weave together our countless leagues of field and forest, mountain and valley; they bind into one great entity our tens of millions of scattered folk; they hold us from coast to coast and from border to border true to the overmastering spirit of human progress.

Yet they have grown up almost at random, with no central idea controlling their development. As the need appeared for the transportation of goods in any locality, it was met, often in haphazard fashion. The coming of the steel age, of the mechanical age of locomotives and steam boats and motor trucks, followed on the heels of the freight teams and flat-boats as the teams and boats had replaced the canoes and ox-drawn caravans of the pioneers.

It was all part and parcel of the making of a nation in a decade where other nations had measured their progress in centuries. There was urgent need to build and little time to plan.

Now comes the day, however, when the improvised machinery of transportation, splendid as may be the mechanical perfection of its units, great as may be the trained skill of the men who make it function, threatens to fall short of the needs of that destiny that awaits the nation. Already it is strained to the breaking point with the flow of goods that must be moved. Tomorrow's business may overwhelm its capacity. That would mean national stagnation and the beginnings of decay.

A Real Crisis

HERE is a menace no thinking American dare ignore. There must be room for growth and expansion, and room means adequate transportation. In resources the natural reservoirs of America are still bountiful; the facilities for making them available to mankind—for transporting them to market—require expansion.

This is the situation faced by America today, the situation that called into being the Transportation Conference of 1923. In the machinery of that conference, the wheels of which are already beginning to turn, American business life, on so broad a scale that it is in reality American life as a whole, is reaching out to study the transportation situation as a whole, to visualize it as a great system of carriers of all kinds, and to find some way of setting it free from the ills that have beset it, economic or legislative.

Already the special committees first created to deal with the five subdivisions of the transportation subject discerned by the group of business men who with President Julius H. Barnes of the Chamber of Commerce of the United States set the conference project in motion, are at work. A glance at the names on the committee rosters is enough to prove

The Kelly Aircore is resilient at all truck speeds

There is only one reason why any truck operator puts cushion tires on his trucks.

That reason is to obtain greater resiliency than is afforded by solid tires.

There is, however, one important fact that many truck operators do not stop to consider, and that is, that while theoretically cushion tires enable a truck to operate at a higher speed, yet in actual practice, beyond a certain comparatively low speed, all types of non-patented hollow-center cushion tires are *no more resilient than an ordinary solid tire.*

The following comparative test, recently made, illustrates this point:

A loaded truck, the right rear wheel equipped with an Aircore tire and the left rear wheel with a cushion tire of the non-patented circular hollow type, was run over a 1-inch iron bar placed on a concrete road.

At 10 miles an hour

At ten miles an hour both tires absorbed the entire height of the bar without communicating the impact to the truck

At 15 miles an hour

At fifteen miles an hour the Aircore still absorbed the entire height of the bar, while the other tire absorbed only half of it, transmitting a half-inch bump to the truck.

At 20 miles an hour

At twenty miles an hour the Aircore still absorbed the entire height of the obstruction, passing over the bar without perceptible jar or jolt, while other "cushion" tire bumped over the bar without absorbing ANY of the jolt.

This test merely serves to prove the advantage of a scientific design which provides a displacement space into which the rubber can flow instantaneously and resume its normal shape as soon as the obstacle is passed.

Kelly Springfield Tire Co.
250 West 57th St., New York, N. Y.



When subjected to a normal load, the AIRCORE assumes the outline indicated by the full lines above. The depth of the tread is shortened and the rubber thus displaced is squeezed outward and into the central core.

Note the height of this open space and the comparatively short depth of rubber between the upper open end and the tread of the tire. This produces instantaneous action and recovery of the tire and adds greatly to its resiliency at high speeds.

The silhouette above shows a section of AIRCORE tire when under no load. Note the shape of the spear-head central opening and the white dotted outline of the traction notches cut in the tread and side walls. The central core opening provides the internal displacement space into which a portion of the rubber may flow when the tire is subjected to load.



IF you have been following our recent advertisements in *The NATION'S BUSINESS*—on bonds as investments, you may have asked yourself—"What personal help could *The National City Company* give *me* in the investment of *my* funds?"

We shall be glad to tell you.

Cut on this line

The National City Company 55 Wall Street, New York City

Gentlemen: I have seen your advertisements in various magazines. Without any obligation on my part please tell me what specific help you could give me as an individual investor.



Name _____

Address _____

City _____ State _____

"YES" CARDS

A GREAT many *NATION'S BUSINESS* readers are first introduced to the magazine through their own business friends. Perhaps you yourself have spoken of it to others, or found it through some such suggestion.

For example: You are one of our readers. A friend happens into your office. Good business information is the subject of your conversation. You suggest *THE NATION'S BUSINESS* as offering such information monthly. That moment you are selling this magazine, though of course with no idea of a money profit for yourself.

Your friend is inclined to accept your suggestion. For your convenience we have developed a card which you may find usable in just such an instance. We call it a "Yes" Card. His name on this card addressed to us will bring him the magazine with a bill for a year's subscription, which he pays on receipt.

If you would like five of these "Yes" Cards to keep in your desk, please tell us and we will send them. Each card is stamped and ready for use. Address *THE NATION'S BUSINESS*, Washington, D. C.

the importance of the task. They are all busy men, figures who bulk big in the world of commerce and industry and finance and labor. There is no need to assign men here to sit in the interest of the public. Each committee group is in itself a cross-section of the great American public. The things upon which these groups can agree are almost certain to be things which public opinion in general would approve were it possible to get a representative referendum of the nation on the subject. This is, if you please, a conference of the public with the Government observing the march of events.

Before the writer are minutes of the first meetings of several of the special committees. If the nationally known names of the committee members did not guarantee the business-like approach to the problem, a mere glance at those records would convince any observer that a determined effort to find a right solution is in progress.

There is a striking thing about the committee minutes. To one familiar with the records of legislative committees which have dealt with aspects of the transportation question for years, they are refreshing because of the frankness with which views of committee members are presented.

They are utterly lacking in the restraints naturally imposed by the necessities of politics; there is no attempt to capitalize one point of view or another. There is no tendency to divert the course of argument or to make special capital for any man or any group. There is every evidence that no special interest could be served in these proceedings, for every interest is represented and speaks with equal voice.

On the Trail of Hard Facts

WHAT is being done is to search for facts, cold, hard, economic facts. And in the round-table discussions of the committees every statement of alleged fact presented is subjected to minute examination from the point of view of each of the great national groups represented in the committee membership before it can stand as an accepted fact, attested by committee approval.

The minutes are not public property. They are running records of heart-to-heart talks by men, each of whom is qualified to speak with authority for some element in our national life to which transportation is vitally important. They are leading toward conclusions on the included aspects of each phase of the study that is being made. And before these conclusions of the special committees are accepted or approved by the Transportation Conference itself, they will be scrutinized by the general committee which will be itself a cross-section on even more extended scale of national life and national enterprise and endeavor.

The general committee is yet to be selected. Novel as the practice may be of first appointing the working subcommittees and later creating the body vested with the power of declaring the judgments of the conference, it is bearing fruit. An enormous field must be canvassed and data assembled on the accuracy of which the conference can reply in basing its conclusions thereon. That is being done. Wherever the special committees find need for research work to back up conclusions they may present to the general committee, expert staffs are being provided by the Chamber of Commerce of the United States to do the work.

Thus the special committees are clearing the ground. They are blazing the way for the general committee so that the final report

of the conference shall be based on no unsound foundation of fact. The Committees are as follows:

Relation of Highways and Motor Transport to Other Transportation Agencies: A. H. Swayne, chairman; W. J. L. Banham, traffic manager, Otis Elevator Company, New York; L. W. Childress, president, Columbia Terminals Company, St. Louis; D. G. Fenner, engineer and manager, Public Works Department, Mack Truck Company, New York; Gerret Fort, vice-president, Boston and Maine Railroad, Boston; Philip W. Gadsden, vice-president, United Gas Improvement Company, Philadelphia; W. H. Lyford, vice-president, Chicago and Eastern Illinois Railroad, Chicago; R. M. Matthiessen, president, The Motors Haulage Company, New York; John D. Miller, president, National Milk Producers' Federation, Utica, N. Y.; H. H. Raymond, president, Clyde Steamship Company, New York; Arthur Waterfall, vice-president, Dodge Automobile Company, Detroit, Mich.; Henry J. Waters, editor, *Kansas City Star*, formerly president, Kansas State Agricultural College; R. C. Wright, general traffic manager, Pennsylvania R. R. Company.

Proper Coordination of Rail and Waterway Services: W. L. Clause, chairman; Major General Lansing H. Beach, chief of army engineers; C. P. Craig, general manager, Great Lakes-St. Lawrence Tidewater Association, Duluth, Minn.; Dr. Emory R. Johnson, Professor of Transportation, University of Pennsylvania; C. H. Markham, president, Illinois Central Railroad, Chicago, Ill.; M. J. Sanders, president, Leland Line, New Orleans, La.; Harvey Sconce, formerly president, Illinois Agricultural Association, Sidell, Ill.; George A. Tomlinson, president, Duluth Steamship Company, Cleveland, Ohio.

Railroad Consolidation: Carl R. Gray, chairman; J. A. Carpenter, vice-president, Kansas City Chamber of Commerce, Kansas City, Mo.; Clyde Dawson, Dawson & Wright, Denver, Colo.; W. N. Doak, vice-president, Brotherhood of Railroad Trainmen, Washington, D. C.; Howard Elliott, chairman, Northern Pacific Railroad, New York City; John E. Oldham, Merrill, Oldham & Company, Boston, Mass.; H. A. Palmer, editor, *Traffic World*, Chicago, Ill.; Samuel Rea, president, Pennsylvania System, Philadelphia; G. W. Simmons, general manager, Simmons Hardware Co., St. Louis, Mo.; A. W. Smith, special counsel, U. S. Railroad Administration, Washington, D. C.; Henry Bruere, vice-president, Metropolitan Life Insurance Company, New York City; Howard Leonard, formerly president, Illinois Agricultural Association, Eureka, Ill.

The Russian Fuel Mystery

FUEL PROBLEMS may at times be bad enough for our railroads, but they do not approach the troubles that confront the folk who try to keep locomotives going in Russia. It has been discovered there that a locomotive apparently consumes twice as much fuel as in 1913.

That was a mystery for a while, but the mystery has been solved. Only half of the fuel obtained by the railroads makes the wheels go round. Half of the balance is stolen, 15 per cent of the whole is wasted by firemen who have rudimentary ideas about the way to make steam, and 10 per cent is pure waste in the low quality of the fuel.

Founded As A Business Bank— A Business Bank Today



IN 1812, when James Madison was President of the United States, when Chief Justice John Marshall was writing his famous opinions, when the population of this country was only a little more than 7,000,000, The Bank of America was organized to serve business throughout the country.

True to its name, The Bank of America still serves the business of America all over the world.

We are always glad of an opportunity to tell business men how we can be of definite service to them in banking affairs.



THE BANK OF AMERICA

ESTABLISHED 1812

44 Wall Street, New York



What makes these girls so interested?

They are watching the demonstration of a machine that makes their work easier and yours more profitable

HAVE you ever watched a girl at either a typewriter or billing machine when she came to the end of a letter or form?

Remember how long it took her to remove the finished sheets from the machine, remove the carbon paper from the sheets, find new sheets, insert the carbon paper, jog the sets of forms and carbon paper into alignment, and then put them in the machine?

The improved Elliott-Fisher Automatic Feed Machine eliminates these non-productive operations. The clerk spends no time in getting ready to write—all her time is spent in *actual writing*.

The lost motion is done away with by the combination of Continuous Length, automatically fed, Forms and Carbon Paper.

It is necessary to load continuous length forms and carbon paper only once in preparation for the writing of many sets of forms.

Continuous length forms

All styles of continuous length forms—"superfold," "roll," and "fan-fold"—are written on the Elliott-Fisher Automatic Feed Machine.

All kinds of cut forms, varying in style, size, or thickness, are also

Other Elliott-Fishers for accounting and record writing

In addition to the Automatic Feed Machine, there are other types of Elliott-Fishers which:

Write bills, ledger, journal and other related records, compute and prove account, all in one operation;
Write payroll and pay checks simultaneously;

Prove their accuracy instantly without extra effort;

Furnish daily record of exact status of accounts, immediately upon request;

Make as many copies as desired, legible, and clear-cut;

Get bills and statements out on time.

Do you wonder that Elliott-Fisher Machines pay for themselves after they have been in operation but a short time?

written with equal facility and dispatch.

Continuous length forms are manufactured in lengths varying from 250 to 5,000 sets, depending upon the depth of the form and the number of copies to the set, and come in cartons or rolls, ready to be placed on the machine for writing.

Continuous length forms feed from

rear to front over the flat-writing surface of the machine and through the carbon paper—a new form feeding automatically into writing position as the completed form is removed.

These forms not only save the time and cost of all non-productive operations necessary with the use of cut forms and loose sheets of carbon paper, but also afford an initial saving of from 10% to 40% in the cost price.

Carbon paper

The Elliott-Fisher Automatic Feed Machine will handle two styles of carbon paper, either roll or sheet.

Think of the advantages of roll carbon, made up from 75 feet of two-to ten-ply carbon paper in one roll, the various sheets of the carbon roll interleaved with the copies of the set of forms, feeding transversely across the flat-writing surface, and so conveniently arranged that a slight turn of the carbon holder automatically brings a new carbon surface into writing position. Think of the further advantage afforded, in that one roll of carbon paper will ordinarily last through the writing of one thousand or more continuous length sets of forms.

Sheet carbon is made up in individ-

ual flat lengths, one length for each copy of the set of forms. These carbon sheets are interleaved with the copies of the set of forms, and feed

vertically with the forms from rear to front over the flat-writing surface. As the used portions of the sheet carbon are removed a new carbon sur-

face is automatically brought into writing position, and one loading will ordinarily last through a day's writing.



*Inserting Carbon
Between Sheets*



*Jogging Set into
Alignment*



*Inserting Set in
Machine*



*Realigning Forms in
Machine*



*Finding First Writ-
ing Position*



Writing



*Removing Carbons
from Completed
Forms*

Seven operations combined into one

The operation of the Elliott-Fisher Automatic Feed Machine with continuous length forms and transverse roll carbon compares with the operation of the rapid-firing machine gun which discharges hundreds of shots without reloading. The comparison cannot end here, for, when one thinks of the old method of handling each set of cut forms separately—performing for each set a loading operation which is required only once to prepare 1,000 or more sets of continuous length forms for writ-

ing on the Elliott-Fisher Automatic Feed Machine—memories are revived of the obsolete, muzzle-loading rifle or the single-shot gun.

With the flat-writing surface, continuous length forms, transverse roll carbon and numerous other features, the Elliott-Fisher Automatic Feed Machine has the advantages in the record-writing field that the machine gun has over the obsolete muzzle-loading rifle or the single-shot gun on the field of battle.

Upon request, an Elliott-Fisher representative who can discuss with authority the rapid and economical production of typewritten forms will be glad to call on you. If you wish, he will make a study of your particular operations and point out those that could be performed by automatic feed machines with a saving of time and labor, and do this entirely without obligation on your part. Drop us a line today.

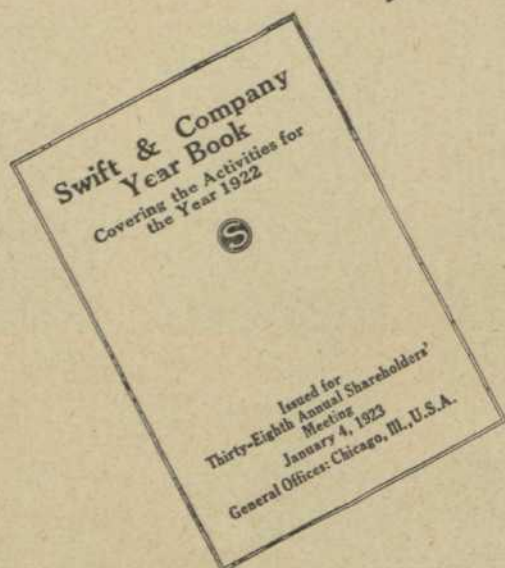
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Do you know that Swift & Company is not a "close corporation"? Anyone may purchase a share in the business. Swift & Company would like to see every user of Swift's products—Premium Ham and Bacon, Brookfield Sausage, "Silverleaf" Brand Pure Lard, Premium Milk-fed Chickens, etc.—a sharer in the profits of the company as well as a consumer of its products.

Send for a copy of the Year Book. Free, of course.

Swift & Company 1923 Year Book
Address: Swift & Company,
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U. S. Yards, - - - - - Chicago

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A nation-wide organization owned by more than 45,000 shareholders



Full Term vs. Part Term

MOST of the readers of THE NATION'S BUSINESS are FULL Term (3 year) subscribers, at \$7.50. They get the magazine every month for thirty-six months, and also receive as a part of the service, one copy of the 1923 Extra Edition, one copy of the 1924 Extra Edition and one copy of the 1925 Extra Edition of THE NATION'S BUSINESS, each of which contains its story of the Annual Meeting of the Chamber of Commerce of the United States for the year mentioned. In addition, they save \$1.50 over the price of the Part Term (\$3.00 for one year). **MORAL:** When you renew, ask for the three year rate!

Explosives in Transit Cost A Life and \$75

DURING THE year 1922 the railroads of the United States transported 168,301 tons of commercial explosives, a very large but unknown tonnage of fireworks and salvaged war ammunition, says the chief inspector of the Bureau of Explosives in his annual report. The inspector states:

The total losses were one man injured and \$75 property loss. This is much below the average of previous records.

During 1922 the total number of accidents incident to the transportation of all classes of dangerous articles was less than the average for the last seven years (excluding war outrage at Black Tom in 1916) by 139 accidents, a decrease of 9.3 per cent from the average. The total property loss was less than the average by 21.4 per cent; total number killed less by 76.5 per cent; total number injured less by 56.1 per cent. . . .

The Bureau of Explosives has been operating for about sixteen years. It was organized primarily to promote safety in the transportation of explosives, but its experience soon indicated the necessity for extending its field of effort to cover all classes of dangerous articles. . . .

From the standpoint of inherent risks as measured by the recorded losses per ton transported, nitric acid is the most dangerous of the articles covered by the regulations, and from the standpoint of total losses sustained, gasoline is the most dangerous. . . .

The tank car as a shipping container for inflammable liquids continues to be the most serious source of danger to life and property with which we have to contend in the transportation of dangerous articles. This year's reports of accidents show that the shipment of inflammable liquids in tank cars has resulted in the death of four persons, or 100 per cent of the total, ten personal injuries, or about 17 per cent of the total, and \$661,031 property loss, or 80 per cent of the total, of all the deaths, personal injuries, and property losses occurring in the transportation of explosives and all other listed dangerous articles.

The relative hazard of transporting inflammable liquid in tank cars as compared with transporting it in other types of containers is shown by the following analysis of reports of accidents occurring in the transportation of inflammable liquids, which total 344 accidents, four deaths, eleven personal injuries, and \$724,071 property loss. While only 206, or about 60 per cent of these accidents involved tank cars, they were responsible for 91 per cent of the property loss, 91 per cent of the personal injuries, and 100 per cent of the deaths. . . .

The fundamental difficulty in preventing accidents in shipments of acids is due to the necessity for use of a glass container which is fragile and liable to rupture under shocks incident to transportation.

The Bureau of Explosives has maintained a constant pressure for improvement, and the acid industry has responded in a commendable spirit of cooperation. . . .

The number of accidents is larger for acids than for any other commodity, and many of them are caused by small residues in supposedly empty carboys.

The bureau's work includes the issuance of quarterly accident bulletins, each of which gives the facts relating to particular accidents and suggests the consequences of failure to observe safety rules; the examination and the reporting on samples of hazardous articles by the chemical laboratory at South Amboy, N. J.; and the maintenance of a field inspection of container manufacturing plants. In addition, the bureau has aided in the disposition of war explosive material.

Recent Federal Trade Cases

Some industries affected by cases and complaints described in this article are:

Advertising	Ships' stores
Celluloid	Signs
Groceries	Soap
Hosiery	Stationery
Mail order houses	Tobacco
Oil stocks	Washing Powders
Paints	Woolen Goods

A MONTANA Chamber of Commerce and the management of a theaters company, charged with attempting to eliminate or lessen competition by collecting or destroying mail order catalogs, have been ordered by the Federal Trade Commission to refrain from that practice. The Commission made its ruling after an investigation of charges that the theaters company, in collusion with and the approval of the Chamber of Commerce, accepted mail order catalogs from children as payment for motion picture shows in a theater controlled and operated by the theaters company.

The catalogs thus collected were subsequently destroyed by the defendants, says the Commission, and it holds that the act removed from the hands of many of the residents, in and about the city, mail order catalogs from which they had been in the habit of ordering goods. The Commission looks on the practice outlined as calculated to check competition between local merchants and mail order houses, and it condemns that practice as a hindrance to interstate trade.

THE COMMISSION'S position with reference to the labeling and branding of goods has fresh definition in prohibitory orders and complaints issued during March. In the case of a Brooklyn paint concern, the Commission found that the company used labels on certain of its products containing the words "Vielles Montagne, Paris."

The words so used were found by the Commission to lead the trade and the public to believe that the products so labeled were manufactured by the Societe des Mines et Fonderies de Zinc de la Vieille Montagne, when they were not so manufactured.

The use by the paint concern of the words "white lead" and "white zinc" in connection with the sale of products not wholly composed of basic lead carbonate or basic lead sulphate or wholly of pure zinc oxide was also condemned by the Commission. The alleged unfair practices are covered in the Commission's prohibitory order.

BE MORE CAREFUL of your advertising, says the Commission to a Cleveland manufacturer of paints and allied products, trading as a refining company. In the exploitation of its products, the company is alleged to have used the words "Government," "White Lead," "ground in pure linseed oil," and others which did not truthfully describe the contents of receptacles.

The Commission has accordingly ordered the company to discontinue the use of the word "Government" in describing commodities manufactured or offered for sale when such commodities have not been obtained from or manufactured by or for the Government of the United States.

It is also ordered to cease from selling or offering for sale by means of labeling or advertising a commodity as "Old Government Paint," or by so using words of a

MONEY

The Partner that

TALKS

WHEN a business is prospering, it is easy to get partners. Success attracts capital. Capital that gets dividends does not criticise.

When business is bad, the complaint of capital is heard from the housetops. Even with a fighting chance, capital is scared away.

Credit is the most sensitive factor in business and the most vital. If a crisis comes in an individual enterprise, capital is silent until it sees how things are going.

Business grows only by force of personal enterprise and ability. Take these away, and things are at a standstill until the outcome is assured.

The outcome is assured—it is insured—by the progressive business institutions of today. This is done with the same certainty and security with which you insure your property against fire.

The insurable factor is the personality of the management behind the business. The insuring actor is the greatest co-operative financial organization in the world—American Life Insurance Companies.

The name of this protection is BUSINESS LIFE INSURANCE.

Capital required for quick and satisfactory adjustment of the internal affairs of a business on the death of a managing partner or director is obtained at once.

Funds for the immediate engagement of a competent successor are at hand.

Credit feels no shock if funds are at once available to meet loans secured on the reputation of the leading personal factor behind the business organization.

Loan values are to be had for business necessities, if the policies have been in force a sufficient time.

These are only a few of the practical functions of BUSINESS LIFE INSURANCE.

Every business has its contingencies which can be foreseen and forestalled in this way. The only requirement is a small annual payment and the face amount of the policy becomes a FUND held for the emergency. When it arises the insurance is there available for immediate replacement of the loss.

For information address any Agent or the Home Office of the

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LIFE INSURANCE COMPANY
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LARGEST AND STRONGEST FIDUCIARY INSTITUTION IN NEW ENGLAND

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Additional copies of the Extra Edition will be sold to members and subscribers only, in quantities of 25 or more, at the nominal price of 10c each. Kindly place your orders now. Address THE NATION'S BUSINESS, Washington, D. C.

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Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

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similar import, when such paint is not, in fact, obtained from the United States or manufactured by it for use; as containing "White Lead" or other ingredients which in fact it does not contain; as having been manufactured, prepared or ground in "linseed oil" or other ingredients named when such ingredients have not been so used.

IN COMPLAINTS addressed to firms in Cleveland and Detroit, the Commission has challenged the use of the label "U. S. Quality Paint" as applied to paints which the Commission says, are neither made for the United States Government nor according to Government specifications or standards.

A practice of that sort constitutes unfair competition against paint concerns which properly label their products, in the opinion of the Commission. A considerable part of the public believes that the term "U. S. Quality" when applied to any product means that the product so designated is either made for the Government or according to Government specifications, contends the Commission, holding that the improper use of such terms deceives the public and operates to the public detriment, especially when applied to low-grade articles.

THE LABELING and branding of cotton and wool hosiery as "Cashmere," without any other word or words to indicate the character, kind or grade of materials entering into the manufacture of that hosiery, is condemned by the Commission after an investigation of a complaint against a Providence manufacturer of hosiery.

The word "Cashmere" without other descriptive words when applied to hosiery is understood by the general public to mean hosiery made entirely of a high-grade pure wool, says the Commission, and it has therefore ordered the manufacturer to discontinue the use of the word "Cashmere" in connection with the sale of hosiery unless the hosiery is actually composed of a high grade of pure wool.

The Commission's order requires the company to discontinue the use of the words "Salt's Peco Plush" in describing garments manufactured by it when the garments are made of material other than Salt's Peco Plush.

THE CONTINUANCE of the Commission's efforts to protect the public against the sale of celluloid goods as and for ivory is revealed in complaints which the Commission has addressed to firms in New York City and Chicago. The New York firm is charged with buying unbranded combs, toilet sets, and the like made of pyroxalin or celluloid, and with listing those goods for sale in their catalogs under the titles of "Parisian Ivory," "White Ivory," and "Reed Ivory."

The Chicago firm is alleged to have used the words "French Ivory" in connection with the advertising and sale of products made of material other than ivory. The practice of branding articles made of celluloid, pyralin and similar materials in a way to give the impression that such articles are made of ivory is not only condemned by the Commission as an unfair business practice, but according to the complaints it has been the subject of a trade practice submittal conducted some time ago by the Commission.

At that trade practice submittal, the Commission says, manufacturers and dealers in the basic material known as pyroxalin plastic passed a resolution which condemned the use, as applied to articles made of pyroxalin plastic, of the word "Ivory" in any other than an adjective sense and then only when

coupled with the name of the material or some other proper qualifying term.

ATTEMPTS to fix and maintain prices are charged in complaints issued against a number of tobacco companies and jobbers. One of the citations alleges maintenance of resale prices by conspiracy and concerted agreement in connection with tobacco products. Some of the methods of price enforcement are indicated to be by not selling to dealers unless the dealers agreed to sell at the companies' standard prices; refusing to sell to dealers who do not abide by the companies' price list; selling only to certain approved sub-jobbers at sub-jobbers' prices.

Another complaint avers that a number of jobbers, for the purpose and with the effect of eliminating competition among themselves and other dealers in tobacco products, entered into an agreement, understanding and conspiracy among themselves to fix, through a conference, prices at which tobacco products distributed by them should thereafter be sold by them.

A MAINE manufacturer of worsteds has been cited by the Commission on the charge of fixing certain specified minimum prices below which clothing made from their product should not be sold. The selling agent for the company is also named in the complaint. Clothing is widely manufactured from the cloth produced by the company, and the Commission asserts that by means of a so-called "license agreement" to which manufacturers were parties, the company was enabled to fix the minimum prices at which the manufacturers were to sell clothing made of the company's cloth. It is further charged that the company, by refusal to sell to manufacturers who do not agree to abide by the company's fixed prices and by various other means, attempts to enforce its standard prices.

This price plan, the complaint states, restrains free competition among jobbers and wholesalers of the clothing described, and that restraint is naturally reflected in considerable degree in price competition for the patronage of the ultimate consumer.

A NUMBER of Utah concerns selling woolen, knit and similar goods have been named in complaints, charging among other things that the concerns use words and descriptions in advertising matter that lead prospective purchasers to believe that the concerns own or control factories in which their goods are manufactured, when that claim of ownership is false. The Commission is of the opinion that the general public is led to believe that by reason of the practice outlined, the profits of the middleman are eliminated from the cost to the ultimate consumer—a belief unsupported by the facts, the Commission says.

THE question of conspiracy to hamper a competitor's business through cooperative agreement between two wholesale grocer associations, several manufacturers and a wholesale grocer is brought forward in a complaint issued by the Commission. According to the citation, a soap manufacturing company changed its price policy and began to quote equal prices to all buyers of equal quantities, regardless of whether the buyers were wholesalers or retailers.

Shortly after that change, the Commission avers, the individuals and organizations named in the complaint instituted a campaign to hinder the sale of the soap company's products.

In this campaign, it is charged that can-

Men who "know it all" *are not invited to read this*



THIS MESSAGE is not for the wise young man who is perfectly satisfied with himself and his business equipment—who believes that the only reason he is not paid twice as much is that he has never been "given a chance."

It is intended as a personal message to the man who feels secretly that he ought to be earning several thousand dollars more a year, but who simply lacks the confidence necessary to *lay hold on one of the bigger places in business.*

The Alexander Hamilton Institute can help that man. How it can do so is illustrated by a certain man who is now auditor of a great corporation. Until he was thirty-one he was a bookkeeper. His employers had made up their minds that he would always be a bookkeeper.

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chasing, of merchandising, of advertising, of office and factory management, and corporation finance. Seeing the change in him, his employers revised their estimate of his capacities. When the position of auditor became vacant in his company, he was given his chance.

The self-confidence that the Institute gave him has transformed that man. He will be a vice-president of that great corporation—and at 31 he was condemned to be a bookkeeper for life.

Send for the book he sent for

If you want confidence in yourself, and the solid business knowledge to back up that confidence, there is a copy of "Forging Ahead in Business" waiting for you, and it will be sent without obligation. Thousands of men owe their success to it. May we send you your copy?

Alexander Hamilton Institute
817 Astor Place, New York City

Send me "Forging Ahead in Business," which I may keep without obligation.

Name _____
Business Address _____
Business Position _____



The Strength of Nation-wide Ownership

THE American Telephone and Telegraph Company has over 250,000 stockholders including more than 47,000 Bell System employees. Besides, about 100,000 employees are now paying for stock on a partial-payment plan.

These facts explain in part why the company is such a stable institution—why its success based on efficient and hard work will continue and why it is financially strong.

A. T. & T. derives the greater part of its revenues from its holdings in the Bell System. These revenues, added to its other earnings, enable it to pay 9% dividends on its stock which is a safe investment.

This stock can be bought today in the open market to yield about 7%. Full information of this investment will be sent on request. Write.



"The People's Messenger"

BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK



THE NATION'S BUSINESS today reaches 58,212 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	24,915
Partners and Proprietors.....	6,072
Vice-Presidents.....	11,286
Secretaries.....	10,890
Treasurers.....	5,280
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	4,257
General Managers.....	7,854
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	6,072
Major Executives.....	76,626
Other Executives.....	7,260
Total Executives.....	83,886
All other Subscriptions.....	15,312
Grand Total.....	99,198

If this is your market, we shall be glad to give you complete details.

THE NATION'S BUSINESS
Washington, D. C.

* Figures based on a complete investigation of all subscribers in twelve cities

cellation of orders previously placed with the soap company was urged. Further allegations represent that persons and organizations cited in the complaint refused to sell to those who continued to handle the soap company's products, and that an attempt was made to divert business from wholesalers who were still buying the soap company's products to wholesalers who had agreed not to handle them.

A JACKSONVILLE concern engaged in selling provisions, merchandise and other steamship supplies is charged by the Commission with offering to give and giving to employees and representatives of steamship owners, without the knowledge or consent of the owners, sums of money and other things of value as an inducement to influence employees and representatives to purchase for their respective employers from the concern, provisions, merchandise, fuel or other steamship supplies.

THE PAINTING of store fronts and the use of signs similar to those of a competitor are unfair business practices, the Commission points out in complaints addressed to two operators of confectionery stores in Washington. Persons named in the complaints, the Commission says, in the course of their business caused their store fronts to be painted in close simulation to that of a competitor, and it is also represented that in advertising an orange beverage, they used display signs that in design and coloring had the appearance of those displayed by the proprietor of several other stores, who had previously adopted those distinctive colors and signs in the exploitation of an orange beverage. The practices as outlined confuse the public and are unfair to the competitor in the opinion of the Commission.

CASES involving charges of false or misleading advertising continue to come before the Commission in number and variety. After inquiry into the case of a St. Louis chemical company, the Commission found that the company advertised a cleansing powder manufactured by it as containing no alkali, when as a matter of fact the powder contained a substantial percentage of alkali.

The Commission also found that the company represented and demonstrated that its powder removed iodine stains from cloth when in truth iodine can be removed from cloth by the use of hot water only.

Demonstrating its product under false pretenses and advertising the absence of an ingredient which is actually a part of that product are two unfair business practices, rules the Commission, and it has ordered their discontinuance by the St. Louis company cited in the complaint.

INDIVIDUALS and organizations operating in Fort Worth are charged by the Commission with misrepresentation in the sale and advertisement of oil stocks and securities. Among the false and misleading statements alleged by the Commission are claims to the ownership of certain leasehold interests which the Commission declares are not true.

In another complaint, one of the individuals cited is described as the organizer and sole trustee of a syndicate also cited, and the complaint says that he caused to be circulated statements concerning compensation which the trustee was receiving, the extent of royalty interests in oil-producing wells, ownership of oil and gas properties, percentage of dividends paid to stockholders,

Hotels Statler

Buffalo - Cleveland - Detroit - St. Louis

A new Hotel Statler (1100 rooms, 1100 baths) will soon be built at Boston; opening date to be announced later



A Word About the Room-Clerks

By E. M. STATLER—being one of a series of ads embodying instructions to Statler employees.

ABOUT nine-tenths of any traveler's first opinion of a hotel is made at the room desk. The reception he gets there, the way he's handled, the way he's taken care of, go far toward establishing what he will think of that hotel.

The room-clerk's job isn't an easy one, as you may have observed. He has to be a diplomat and a gentleman, he has to have tact and patience and an easy-working smile—if he is to be a *good room-clerk*. And I am going to undertake the job of seeing that you meet no other kind in these hotels. I won't have people, when they come to us to buy something, handled brusquely or listlessly or uninterestedly, if I can help it—and I think I can.

You may be interested in seeing some of the instructions we give to our room-clerks, by way of defining what we require of those men who represent us to you. I don't in the least mind having the room-clerks know that you have seen these paragraphs.

Instructions to Room-Clerks

IN THE FIRST place, you have to take seriously and literally every word of instructions in The Statler Service Codes.

"You have to remember that you are never doing a man a favor in selling him a room. I have seen room-clerks who looked bored, or superior, or patronizing—grunting acknowledgments, dictating terms, working grudgingly. But I want to say that nobody can do that in our hotels and stay on the job.

"You won't always have just what a man asks for at just the moment he asks for it, of course. Those are the very times when it is easy for the *wrong kind of room-clerk* to give a customer the idea that he has what's wanted, but won't sell it because he prefers to sell something else. Watch, particularly and especially, the way you handle people who want the kind of rooms on which you are oversold. I know, and you know, that the traveling

public gets a square deal at our room desks; but it is quite easy—*dead easy*—for you to give the customer an idea that he isn't getting a square deal. All he has to judge by, you see, is *your interest in his request*. Watch yourself.

"If people find it difficult or unpleasant to do business at the room desk, that's a sure sign of a poor room-clerk.

"Think of the men and women who come to you as being *your guests*, in *your house*. They're invited to come here, you know, and they have *every right* to expect a courteous and cordial interest in their wants.

"If you can't meet and care for people in this spirit, if you can't or won't be courteous and helpful and gracious and pleasant at every step of your work—and with your fellow employees as well as with our guests—don't try to be a room-clerk here."

Emstatler

Hotel Pennsylvania

Opp. Pennsylvania Terminal, New York. *The Largest Hotel in the World*

CENTRAL COAL^{AND} COKE COMPANY

Announcement

With stocks in the hands of the manufacturers light and badly broken—

With order files heavier than at any time since December, 1919—

With transportation facilities only fair at the present time—

With carriers' facilities soon to be heavily taxed by the increased movement of general commodities and farm products—

IF, in the face of these conditions, you do not now have a sufficient stock to take care of your trade for the next few months, there appears to be only one sensible thing for you to do.

CENTRAL COAL & COKE CO.

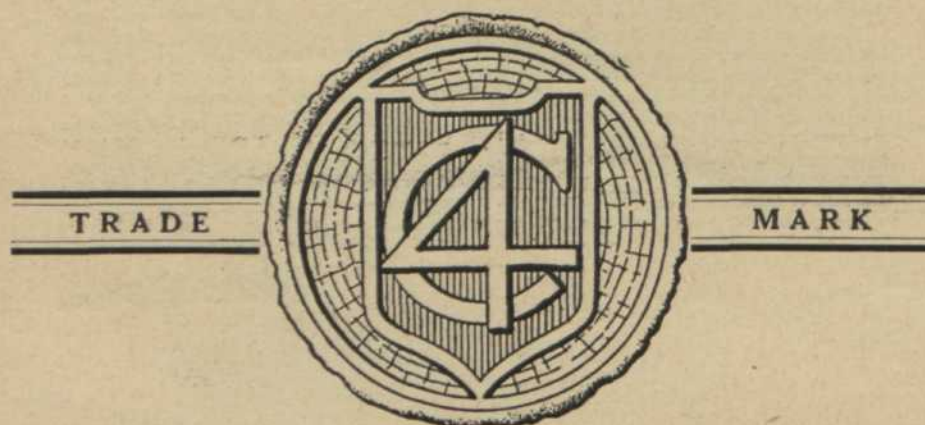
Address GS-43

Kansas City, Mo.

Manufacturers

Southern Pine

"LONG AND SHORT LEAF"



General Offices
Kansas City, Mo.

Mills
CARSON, LA.
NEAME, LA.
CONROE, TEXAS



Branch Sales
Offices

ST. LOUIS, MO.
CHICAGO, ILL.
CLEVELAND, OHIO
INDIANAPOLIS, IND.
HOUSTON, TEXAS
DALLAS, TEXAS

and the giving of two commercial concerns as references.

Those statements were either greatly exaggerated or without foundation of truth, the Commission asserts. In this same complaint, the Commission makes further allegations to the effect that the trustees and the syndicate withheld from the general public pertinent facts concerning the value of securities and the business and the operation of the syndicate.

ADVERTISING stationery as "relief-engraving" when the process used is not what is generally understood to be used in engraving is challenged by the Commission as an unfair method of competition. This complaint is directed against the practice of a Buffalo firm, which is alleged to use a process that results in printed stationery, having the appearance of stationery that has been impressed from an engraved plate. The cost of the process used by this firm, the Commission declares, is much lower than that in which engraving plates are used, and it also contends that the "relief engraving" will not retain its original attractive appearance, as will impressions from engraved plates.

REPRESENTING goods to be of a well-known manufacture—when that representation is contrary to fact is maintained by the Commission to be an unfair business practice. The Commission's position is again established in a prohibitory order directed to a New York manufacturer, trading as a company.

An investigation by the Commission disclosed that the company had induced a retailer to purchase a number of coats under the supposition that the coats were made of Salt's Peco Plush, a material of which they were not actually made.

It Makes Manchuria's Men and Autos Go

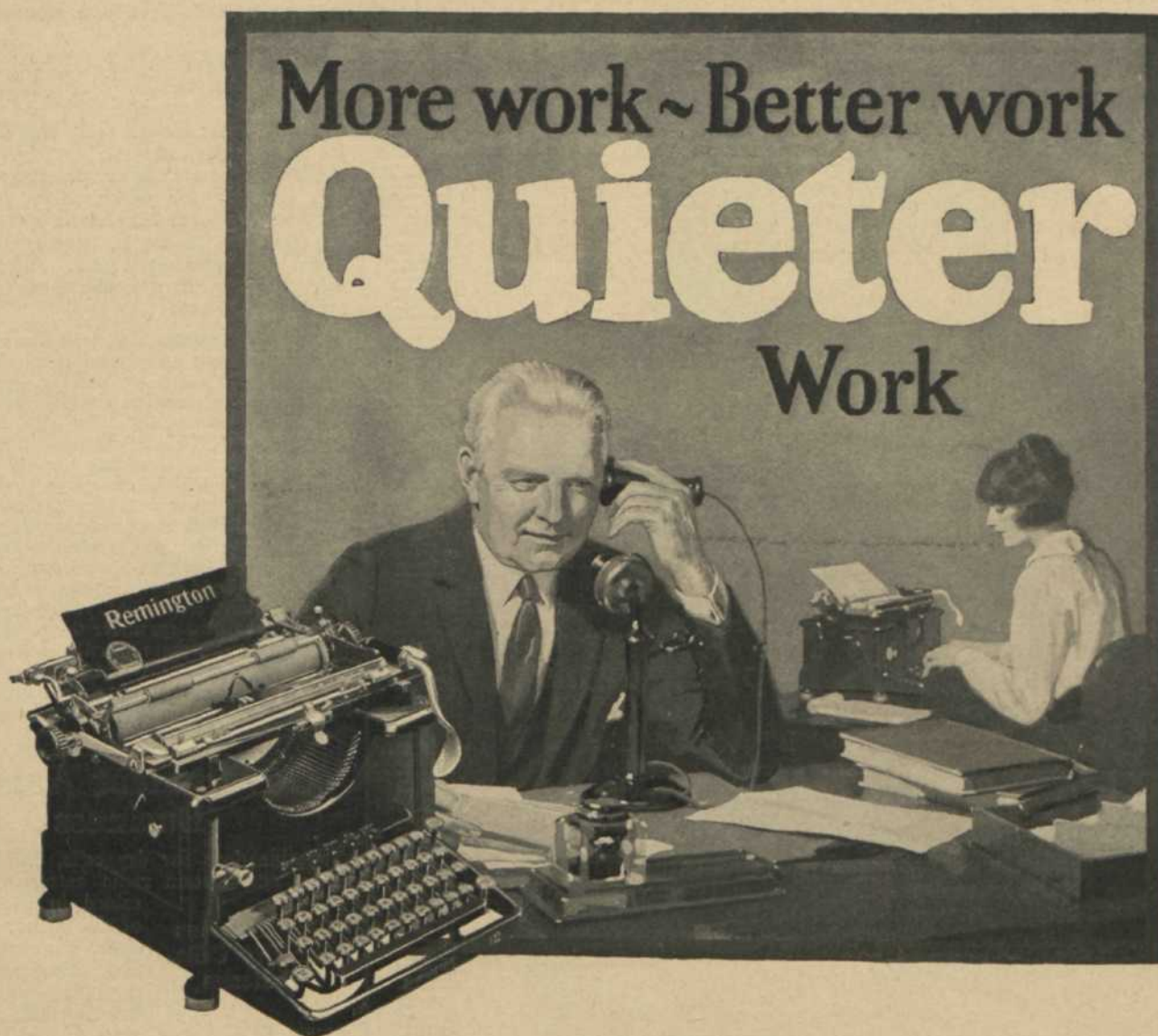
EVER HEAR of hanshin? The State Department has. One of its alert consular officers has sent to it a careful report on the manufacture of hanshin in Manchuria, parts of which read like an historical novel.

Hanshin is a form of firewater which not only serves as the national intoxicant of Manchuria but also as an automotive fuel. Here is the consular account of its dual uses:

Within the past few years hanshin has been more and more used to replace gasoline as fuel for motors in Siberia, and successful experiments have also been made in North Manchuria for the product as a substitute for benzine and kerosene where motors are employed in farming.

Hanshin is a pale yellow liquid, with a strong odor of fusel oil, which it contains to the extent of 7 to 8 per cent. It is the national intoxicant, particularly appreciated by the native tribes of Heilungehiang Province. It is usually served heated, and for this reason is placed for a few minutes before taking in a pewter kettle on the glowing ashes of the brazier.

Small porcelain cups without handles are employed as individual containers. It is the basic material for the manufacture of various liquors, sold in local drug stores. The effects of a hanshin intoxication are what might be termed lingering, inasmuch as a sufficient quantity imbibed today will bring on new intoxication tomorrow by simply drinking water. A person under the influence of this liquid becomes very unruly, and those making hanshin



Remington Quiet 12

Other Important Items of the Remington Typewriter Line

Improved Remington No. 10—
the Standard Correspondence Machine.
Highly satisfactory under all conditions
where quiet is not a prime consideration.

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with Key Set Decimal Tabulator. For
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typewriter for individual or personal use.

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Paragon and Red Seal Carbon Papers—**
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*The Remington Typewriter Line is complete
in every field and complete for every purpose*

More Work—because of the "natural touch", and other time-saving features which make the day's typing swifter and easier.

Better Work—because of improvements in the escapement and printing mechanism which make good work natural and poor work difficult.

Quieter Work—because of refinements of construction which have reduced or eliminated the old familiar typewriter noises.

These are the practical advantages which give more and better typewriter value to every Remington user.

A demonstration of our new Model 12 will convince you. Given gladly at any of our branches, or illustrated folder will be mailed on request.

*The Remington Quiet 12 speaks only in a
whisper, but will be heard around the world*

Remington Typewriter Company
374 Broadway, New York Branches Everywhere



NEW but it has helped thousands

"The Hotel Financialist" is but four months old, yet from the letters received from its readers it has helped many cities in solving their hotel financial problems.

It is the only publication dealing with news and events concerning community financed hotels, pointing out means and plans, together with other helpful suggestions for Civic Committees.

Ask us to place your name on the list to receive it each month. It places you under no obligation whatever and may help you get a new modern hotel in your city.

The Hockenbury System Incorporated
Penn-Harris Trust Bldg., Harrisburg, Penna.

Reprints of Articles

appearing in this magazine may be ordered from THE NATION'S BUSINESS, Mills Building, Washington, D. C.

The price is
\$10.00 for the first 1000 or less, per page
5.00 for each additional 1000, per page

We will give permission, on request, for the reprinting of articles from THE NATION'S BUSINESS in house organs, or in other organization periodicals.

drinking a habit develop a most quarrelsome disposition.

The opportunities for a Manchurian holiday unroll themselves. Put a gallon of han-shin in the automobile tank and a smaller quantity in the human tank, and the stage is set for two days at least.

Picturesque are the surroundings of a han-shin distillery of which there are several hundred in North Manchuria and which use 120,000 tons of cereal, beans, corn, millet, barley and wheat each year. A han-shin distillery is very like a medieval castle, says the consular reporter:

There is the same high wall surrounding the various building units making up the complex structure, and there are outlook towers at the four corners, with rifles and falconets of every conceivable construction, age and caliber, for the defense of the undertaking. The entrance to the compound is possible through two enormous, iron-studded portals, but first the visitors have to cross a bridge thrown over the wide water-filled moat surrounding the fort. These precautions are necessary against roving bands of brigands, who often operate in the neighborhood of distilleries, as representing the wealthiest centers of villages and towns. Around the distillery, under the protection of its walls and guns, there usually spreads a small village, with a bazaar and a few more or less important stores. In case of danger the inhabitants of these villages seek refuge behind the portals of the distillery.

Government Aids to Business

Specifications for dry cells, flashlight batteries, and certain radio batteries are contained in Circular 139 of the Bureau of Standards, for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy. The circular also includes a discussion of standard tests and the minimum required performance for each of the standard sizes. Representatives of Government departments and manufacturers met in conference and considered 17 different sizes of dry cells, and standardized 7 of those sizes. Of 30 sizes of flashlight batteries, 8 were accepted as standard; of 30 sizes of assembled batteries of the larger cells for ignition and similar work, 6 were adopted as standard. Two sizes of batteries for use with radio apparatus were also standardized.

The manufacture and electrical characteristics of dry cells are described in the second edition of Circular 79 of the Bureau of Standards. The circular may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents.

Problems of the hosiery industry are receiving careful consideration from the Bureau of Standards. Its work on standard boxes for package hosiery was virtually completed in February, but the report of its findings was delayed by some necessary calculations.

Hosiery Boxes and a New Cone Winder

The saving of an enormous amount of time and energy now required in the repeated adjustment of hosiery knitting machines may be possible through a new type of winding machine which a manufacturer of winding machinery has consented to build for the Bureau. This machine, it is said, will permit the winding of cones of different sizes and

tapers in connection with the Bureau's project for the standardization of cones.

A third edition of Bureau of Standards Circular No. 62, "Specifications for and Methods of Testing Soap," has been prepared by the Bureau and is to be sold by the Superintendent of Documents, Government

Soap Circular Now in Its Third Edition

Printing Office, Washington, D. C., at 5 cents a copy. In this circular, the Bureau discusses the composition of soap and describes the important varieties in common use. References are also made to other circulars of the Bureau containing detailed specifications for special grade laundry soap for use with soft water, hard water grade laundry soap for use in hard water districts, and milled toilet soap for general toilet use. The first edition of this circular appeared in 1916, and the second edition in 1919.

Few mine fires which had a good start have been checked at a cost of less than \$10,000, with the average cost of a fire several times \$10,000, says the Bureau of Mines in Technical Paper 314

Heavy Toll of Mine Fires

on fires in metal mines. Records of the Bureau disclose that during the last five years, fires in metal mines exacted a toll of more than 200 lives. The paper discusses the causes of mine fires, fire hazards, preventive measures, and offers suggestions for operators and miners to meet the emergency of fire. This paper may be obtained from the Bureau of Mines, Washington, D. C.

The mining, milling, products and uses of talc and soapstone are described in Bulletin 213 issued by the Bureau of Mines. The United States is now producing about two-thirds of the world's supply of talc, says the

Talc Has Wide Variety of Uses

bureau, in giving a suggestive list of the mineral's uses which include: filler for paper and paints; crayons and pencils; gas tips and electrical insulation; for foundry facings, either alone or mixed with graphite; in the manufacture of asphalt coated roofing felts and papers, both as a filler and as surfacing; toilet powder; dressing and coating cloth; and in making soap, rope, twine, pipe-covering compounds, heavy lubricants and polishes.

The Bureau of Mines will forward Bulletin 213 on application.

An increased demand for jet, used in mourning jewelry, became apparent at the close of the World War, but the wide requirement which gave fresh impetus to the production of that mineral is not likely to be

Jet Yields Place to Black Onyx

maintained, believes the Bureau of Mines, because of the substitution of the more durable black onyx. In Serial 2452, the bureau presents the results of its investigations of the origin, occurrence, and utilization of jet throughout the world. A deposit of jet has been found in Wayne County, Utah, sufficient to meet any anticipated demand, the bureau asserts. Jet has been found in other regions in the United States, notably in Colorado, associated with coal-bearing rocks.

The serial on jet is obtainable on application to the Bureau of Mines.

Transportation!

American manufacturers spend more to move materials within their plants than they do for rail freights.

Cut the bill for plant haulage by using labor saving industrial haulage devices!



All heavy materials can be handled quickly and cheaply by this Clark Truclift, a gasoline powered elevating platform lift truck—the tote boxes carry 4000 pounds.

For Information Write

CLARK TRUCTRACTOR COMPANY

Gasoline Industrial Vehicles

1127 DAYS AVENUE • BUCHANAN, MICH.

CLARK TRUCTRACTORS

The Stimulus of COSTS

A manufacturer of a general utility product in the Middle West—very small and fighting for his life some years ago—is a retired millionaire today. With very limited capital and little knowledge of the field, he took over a failure, worked out a practical system of Costs and made a fortune. To his determination to *know his Costs* he attributes his success. Of Costs as a stimulating influence to success he has this to say:

"Every department should feel the force and the impetus of the Costs system so that all will constantly cry out for more knowledge. This more knowledge is a wonderful stimulus—an inspiration. It permeates the entire institution, cheapening the cost of operation, enhancing the quality of the product, insuring the greatest profit. The chief executive should be interested in Costs, no more and no less than the humblest foreman in the least important department. As all will not be equally interested in the same facts, the accountant must so adapt the Costs system that some part of the facts and figures presented, will specially interest every official of every department whatever his capacity."

"Hence there are Costs and Costs. Which one, or what kind, depends upon whom and what purpose it is to serve. The cost of the right system itself will always be small compared with the results gained, but it must be the *right system*. If not it is worse than useless. It will be like a perfectly good guide-post turned, by some mischance, to point the wrong road."

"A *right* Costs system must be founded on sound and fundamental principles of accounting—on facts based on accurate figures."

ERNST & ERNST

AUDITS — SYSTEMS
TAX SERVICE

NEW YORK	CHICAGO	CLEVELAND	INDIANAPOLIS	NEW ORLEANS
PHILADELPHIA	MINNEAPOLIS	BUFFALO	TOLEDO	DALLAS
BOSTON	ST. PAUL	PITTSBURGH	ATLANTA	FORT WORTH
PROVIDENCE	ST. LOUIS	DETROIT	RICHMOND	HOUSTON
WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to June, 1922.
Free Zones—What They Are and How They Will Benefit American Trade.
International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.
Fabricated Production Department—Its service to those engaged in manufacturing and production.
The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.
Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.
Depreciation—A Treatment on Depreciation and Production.
Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.
Merchant Marine. National Chamber's Position—Report of Chamber's Committee.

Commercial Arbitration—Statement of the field of arbitration and draft of plan.
Perpetual Inventory or Stores Control—How to keep investment in materials and supplies down to the Minimum consistent with efficient operation.
National Obligation to Veterans—The costs of war borne by the States and the government.
Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.
Merchandise Turnover and Stock Control—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.
Analysis of the Senate Tariff Bill—Showing wherein it meets or fails to meet the tariff policy of the Chamber of Commerce of the United States.
Analysis of the Senate Bonus Bill—Outline of provisions with estimate of cost.

CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON

Plans to develop methods of test and inspection of steel hoisting rope to determine when it needs replacement are in formulation by the Bureau of Standards, the Bureau of Mines and the interests directly concerned. Mining and elevator companies are interested in the investigation. A member of the Bureau of Standards' staff presented a paper on the subject of tests and inspection of steel hoisting rope at the meeting of the American Institute of Mining and Metallurgical Engineers, February 21, and his paper will be published in the Transactions of the American Institute of Mining and Metallurgical Engineers.

Steel Rope To Be Tested

Recent work done by the Bureau of Standards in the testing of automobile tires is presented in Letter Circular 84. The various makes of tires submitted for test are represented by numbers,

Tire Tests Reported

but each manufacturer has been provided with a key indicating the tires of his own make.

A revision of the national safety code for the protection of the heads and eyes of industrial workers has been completed by a sectional committee of the American Engineering Standards Committee. The revised edition is now available in printed form and may be had for 10 cents on application to the Superintendent of Documents, Government Printing Office.

Safety Code for Protection Of Workers

The first edition of this code was completed in 1920, and has found wide application in chipping, riveting, grinding, stone dressing and other operations in which small flying particles are common; in processes in which splashing metal, fumes and caustic chemicals are encountered; and in acetylene and electric welding and furnace work where the eye cannot be exposed to sources of intense light or heat.

Four bulletins of the coal mining investigation series to be issued by the Carnegie Institute of Technology in cooperation with the Bureau of Mines and an advisory board of coal mine operators and engineers are now obtainable from the Carnegie Institute of Technology, Pittsburgh, Pa. Brief outlines of the bulletins, with their prices, follow:

Coal Mining Investigations in Series Form

Bulletin 1 contains the results of a study of the yield and quantity of the gas, oil and other by-products of the constituents of the Freeport coal bed in Pennsylvania. Price 35 cents.

Bulletin 2 contains the results of a photomicrographic study of the Freeport coal bed undertaken to obtain accurate data on the structure of the various layers and branches of coal in the Freeport bed, and the correlation of this data with the yields of oils, tars, gas and coke obtained from those same sections of the bed in which the microscopic examinations were made. Price 30 cents.

Bulletin 3 contains the results of a study of the spontaneous combustion of soft coal, with a considerable discussion of the problems of storage. Price 25 cents.

Bulletin 4 contains the results of corrosion tests on 45 different metals and alloys in acid mine waters from coal mines. Three test specimens of each of the 45 metals and alloys



Who is Interested in General Motors?

FIRST of all, the 66,000 stockholders living in every state in the Union, the provinces of Canada and 21 foreign countries. Of the 44,049 common stockholders, 37,109 own 100 shares or less; 13,544 own 10 shares or less.

One out of four, or 11,244 stockholders, is a woman.

The General Motors family is made up of 66,000 stockholders, over 100,000 employees, and 12,500 dealers. This does not include the employees of dealers, distributors, garages, service stations and repair shops which service General Motors products.

More than 3,000 different business firms in the United States and Canada furnish the raw and finished materials which enter into the manufacture of General Motors products.

When you think of the families supported by these 3,000 concerns, the families supported by the concerns from which they in turn buy materials, and the families in the 33 cities where General Motors has plants, you realize that everybody who is dependent upon American industrial prosperity has a direct or indirect interest in General Motors.

A booklet entitled "FACTS AND FIGURES" will be mailed if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York

GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings
Hyatt Roller Bearings • Inland Steering Wheels • AC Spark Plugs—AC Speedometers
Brown-Lipe-Chapin Differentials and Gears • Jaxon Rims • Fisher Bodies
Klaxon Warning Signals • Lancaster Steel Products • Jacox Steering Gears
Delco-Light Power Plants and Frigidaire

- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation furnishes an exclusive insurance service for General Motors dealers •

DAHLSTROM



Dahlstrom hollow metal doors and trim in the Cunard Building, New York City.

**FIREPROOF
ARTISTIC—EVERLASTING
DAHLSTROM
HOLLOW METAL
DOORS AND TRIM
COMPLETE THE FIREPROOF BUILDING**

DAHLSTROM METALLIC DOOR COMPANY

487 Buffalo Street

Jamestown, New York

NEW YORK

25 Broadway

CHICAGO

19 So. LaSalle St.

DETROIT

1331 Dime Bank Bldg.

Local representatives in principal cities

Growth Is Evidence!

IN 1919 (five years ago) only 26,379 executives received THE NATION'S BUSINESS each month. The issue now before you will be read by more than 100,000.

95% of our readers speak for it in advance by paid subscription. Most of the remaining 5% buy it on newsstands.

Business men who have the *national* point of view are *on the increase*. As long as this is true the continued growth of this magazine is assured.

THE NATION'S BUSINESS

Washington, D. C.

were completely immersed in flowing water at each of three coal mines in western Pennsylvania for periods ranging from 98 to 135 days. Inspections were made at regular intervals, and the degree and nature of corrosion were noted. At the conclusion of the tests, the specimens were removed, cleaned, and the extent and nature of corrosion recorded. Complete analyses of the waters of the three mines were also made. Price 40 cents.

Thickness is an important factor in determining the suitability of paper for many purposes, says the Bureau of Standards, and it is usually specified by concerns using paper in large quantities. The Bureau finds that ordinary printing and writing papers have specified thicknesses varying from .002 to .005 of an inch. If paper .0025 of an inch thick is specified and the paper supplied averages .0030 of an inch in thickness, the difference of .0005 represents an error of 20 per cent. With that example, the Bureau invites attention to the accuracy required of instruments used for measuring the thickness of paper. According to the Bureau, disputes frequently arise among manufacturers, jobbers and customers because of the number of types and variety of makes of dial micrometers used for determining the thickness of paper.

Micrometers Important in Paper Trade

A paper on "A Study of Commercial Dial Micrometers for Measuring Paper," Technologic Paper No. 226, prepared by the Bureau of Standards, may be obtained for 10 cents on application to the Superintendent of Documents.

A comparison of properties of the 21 ball clays used in the largest quantities in manufacturing china, semi-porcelain, electrical porcelain, sanitary ware, floor and wall tile in the United States is presented in Technologic Paper No. 227 of the Bureau of Standards. The paper includes a detailed description of each individual clay, a classification of ball clays based on their properties, and tabular and graphic arrangements of the results of the investigation which comprehended American and English clays. This paper is sold for 10 cents by the Superintendent of Documents, Government Printing Office, Washington, D. C.

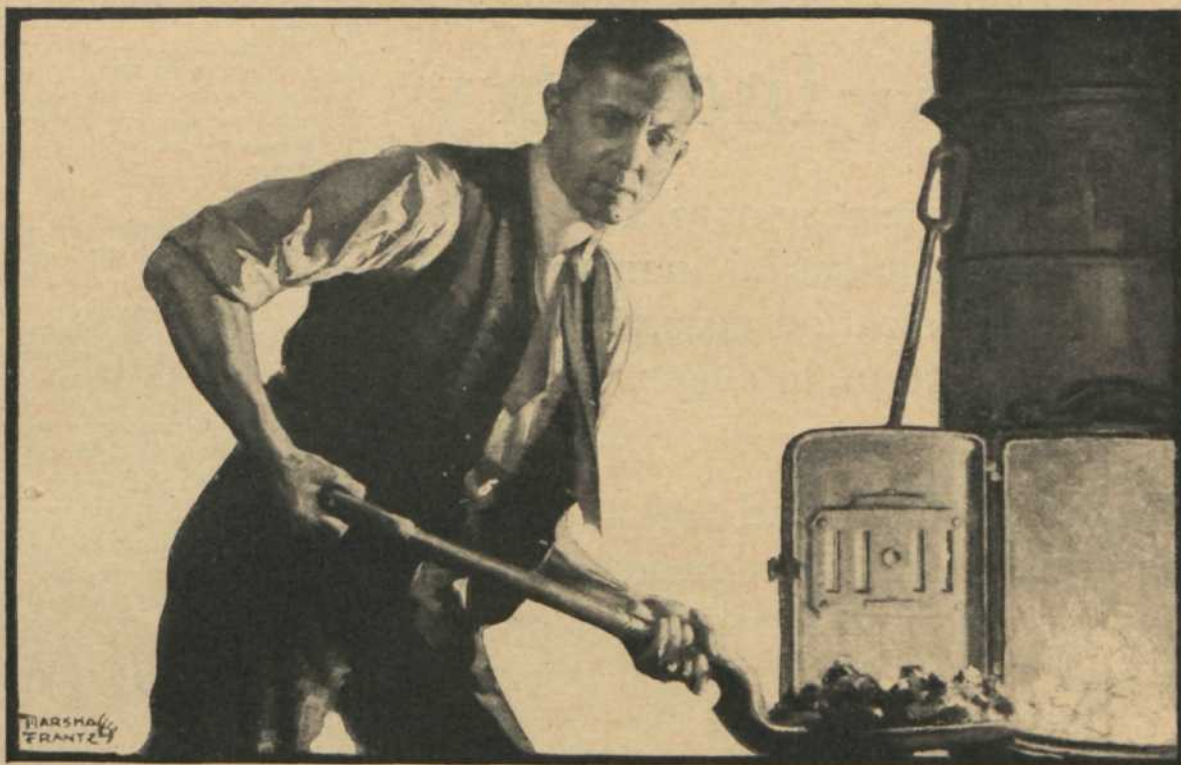
Properties of Ball Clays Compared

The use of glucose and water in the cooling systems of automobiles to prevent radiators from bursting in freezing weather has received wide publicity. To determine the actual behavior of glucose solutions in cold weather the Bureau of Standards has made a number of experiments. A cold temperature bath of salt water was stirred and used to cool test tubes and smaller glass tubes, having thin and thick walls, partly filled with glucose solutions of varying strengths. In no case did any glucose solution burst the container in freezing, but pure water burst some of the smaller thin-wall tubes. A sample core of radiator of the ribbon type, says the Bureau's report, was filled with a 20 per cent glucose solution and left outdoors during a cold night. The core froze solid but no rupture occurred.

From its experiments the Bureau concludes that glucose will prevent a radiator from bursting, but it adds that glucose will lower

Glucose Tried in Motor Radiators

From its experiments the Bureau concludes that glucose will prevent a radiator from bursting, but it adds that glucose will lower



Just a minute, Father

WHILE you have that shovelful of hard-earned money in your hands, may we say a word to you about saving some of it?

Perhaps it has never occurred to you that you now pay almost as much for coal every winter as you paid for the old-fashioned furnace or boiler itself when it was new.

A rather staggering thought, isn't it?

Suppose your annual gasoline bill was equivalent to the cost of a new car! Suppose that someone came along with an improvement which would cut the cost one-third. You would investigate that improvement.

All we ask is that you should be as fair to yourself in the cellar as you are in the garage.

In the past ten years there has been as much improvement in boilers as there has been in automobiles. This Company's Institute of Thermal Research has been just as active as the automotive engineers.

You can substitute an IDEAL TYPE A BOILER, or ARCOLA, for your old-fashioned heater and your investment will be paid for in three average winters. After that you will get a dividend every winter equivalent to one-third of your present fuel bill.

Send your name and the number of rooms in your house on a postcard to either address below. The booklet which will come to you is entitled "Better Warmth and Better Health." It *should* be entitled, "Better warmth, better health, less money in the fire and more in the bank."

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IDEAL Boilers and AMERICAN Radiators for every heating need

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the freezing point of the cooling system very little, and a glucose solution would clog up the system at low temperatures. The Bureau points out that any substance which will depress the freezing point will allow some small passages for escape of the liquid after freezing begins, thus preventing rupture of the container.

An investigation of agricultural export problems is to be made under the direction of a special commission with Herbert Hoover, Secretary of Commerce, as its chairman. A co-operative arrangement between the Department of Commerce and the Department of Agriculture will facilitate the inquiry. Dr. Frank M. Surface, who directed the world food surveys for the Food Administration during the war, is to have charge of the staff assigned to the work.

The personnel of the Commission, as announced by the Department of Commerce, includes: Sydney A. Anderson, member of the Congress; W. G. Jamison, American Farm Bureau Federation, La Veta, Colo.; J. G. Brown, American Farm Bureau Federation, Indianapolis, Ind.; C. W. Hunt, American Farm Bureau Federation, Des Moines, Iowa; T. C. Atkeson, the National Grange, Washington, D. C.; Charles S. Barrett, Farmers Union, Union City, Ga.; James F. Bell, flour miller, Minneapolis, Minn.; Julius Barnes, president, Chamber of Commerce of the United States, Washington, D. C.; George McFadden, cotton exporter, Philadelphia, Pa.; Carl Williams, president, Oklahoma Cotton Growers, Oklahoma City, Okla.; Ralph Merritt, president, California Raisin and Rice Association, San Francisco, Calif.; Alonzo E. Taylor, director, Food Research Institute, Stanford University, Calif.; James A. Broderick, vice-president, National Bank of Commerce, New York City; Adolph Miller, member, Federal Reserve Board, Washington, D. C.; Thomas Wilson, president, Meat Packers' Institute, Chicago, Ill.; H. C. Taylor, Department of Agriculture, Washington, D. C.; Julius Klein, Department of Commerce, Washington, D. C.

Bulletins and circulars issued by the Department of Agriculture are primarily addressed to farmers, but many of the department's publications may appeal to business men interested in farmers' problems. Among the publications, which are susceptible of wide application are:

Live Stock Cooperatives, Tractors

Farmers' Bulletin 1283, Organization and Management of Cooperative Live Stock Shipping Associations. This bulletin represents the results of intensive study on the part of several members of the Department's staff in the field of cooperative live stock marketing and summarizes their combined ideas as to the best method of organizing and operating a cooperative live stock shipping association.

Farmers' Bulletin 1295, What Horses and Tractors Do On Corn Belt Farms. This bulletin discusses the adaptability, inadaptability, and reliability of the tractor and horses for the different farm operations and the form of power most commonly used for each by farmers who already own tractors.

Farmers' Bulletin 1296, Changes Effectuated by Tractors on Corn Belt Farms. This bulletin shows the possibilities of reducing man labor and work stock. The changes which may oc-

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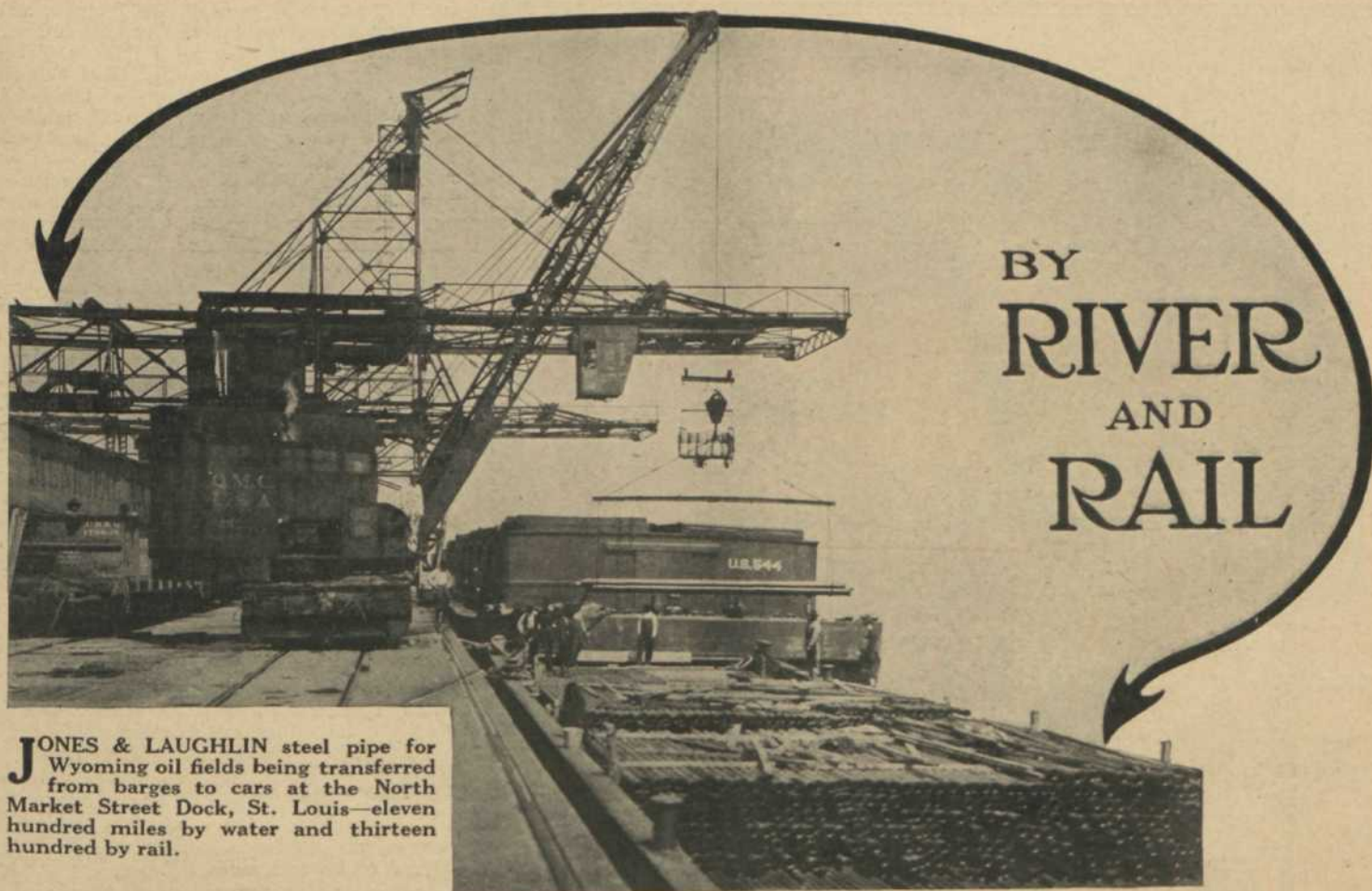
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JONES & LAUGHLIN steel pipe for Wyoming oil fields being transferred from barges to cars at the North Market Street Dock, St. Louis—eleven hundred miles by water and thirteen hundred by rail.

A ILLUSTRATION of the possibilities for widespread distribution of manufactured products when waterways are used in conjunction with railways, not in competition with them, was furnished in a recent barge movement of steel products made by the Jones & Laughlin Steel Corporation from their works on the Monongahela and Ohio Rivers in the Pittsburgh District.

The equipment for the movement consisted of eight Jones & Laughlin 200-ft. steel river barges loaded with 7,000 tons of various steel products, in tow of one of the company's steamboats, the Aliquippa. The first barges were dropped off at Louisville and their contents transferred direct into railroad cars for delivery in Kentucky and Eastern Tennessee. Other barges were set off at Evansville and their cargoes delivered by rail to customers in Indiana and Illinois. One barge went to St. Louis and discharged its cargo over the municipal terminal into railroad cars for delivery to points in Missouri, Kansas and Wyoming. The remaining barges were towed to Memphis and their contents distributed thence by rail into Western Tennessee, Arkansas, Louisiana, Oklahoma and Texas. The time from Pittsburgh to Memphis, 1200 miles by river, was only 177 hours ($7\frac{1}{2}$ days).

The cargo of this one tow was distributed into 10 states, requiring about 175 railroad cars to deliver it. Some of the tonnage was transported 1,200 miles by river and 1,300 miles by rail. Shipments similar to this are being made by Jones & Laughlin every month that there is enough water in the uncanalized lower Ohio to permit navigation. The service was established in October, 1921, being the first to be set up under

modern conditions by any large manufacturer. It has been possible to deliver steel products totaling about 60,000 tons in nine barge movements in the interval since the line was established. Suspension of operation was forced during the six unusually dry months of last year, on account of low water below Louisville. The disposition of Congress to provide the funds for completing the Ohio and other rivers so that no interruptions for that reason shall occur and the success of the experiment have encouraged the Jones & Laughlin Steel Corporation to proceed with making the service permanent, to which end new steel barges of a type designed especially to meet the requirements have been built and put into the trade. New steamboats are being constructed and modern river and rail terminals are being installed at the works in Pittsburgh and Woodlawn, Pa. Over a million dollars will be invested in this delivery service during the present year.

The effectiveness of a service of this character consists in successfully co-ordinating it with rail transportation. The rivers used in conjunction with the railroads, not in competition with them, offer more transportation at a lower rate, a matter which this nation cannot longer afford to neglect. Gradually the railroads, especially those in the West, South and Southwest, are beginning to perceive the possibilities of increased and profitable business for themselves through increasing the nation's transportation facilities and lowering its distribution costs by co-ordinating water transportation with rail. When improved highways are added there will be constituted a national distributing facility, not equalled elsewhere in the world, which ought to reflect benefits into the remotest corners of the Republic.

Jones & Laughlin Steel Corporation

Pittsburgh, Pennsylvania

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BANKERS TRUST COMPANY
NEW YORK PARIS

cur in the cropping system, size of fields, and live stock enterprises are also pointed out.

Farmers' Bulletin 1299, Shall I Buy a Tractor? (For a Corn-Belt Farm). This bulletin discusses the various points to be considered by the farmer who is trying to decide whether to buy a tractor or continue to farm with horses.

Department Bulletin 1148, Comparative Spinning Tests of Superior Varieties of Cotton (Grown Under Weevil Conditions in the Southeastern States; Crop of 1921). This bulletin describes spinning tests to determine the relative spinning value of cotton commercially thought to be superior in character, and that of a number of pure strains of superior varieties of cotton. Price 5 cents.

The bulletins are available for free distribution, except where a price is noted. Applications for free bulletins should be made to the Chief of the Division of Publications, Department of Agriculture, Washington, D. C. Applications for bulletins on sale should be made to the Superintendent of Documents, Government Printing Office, Washington, D. C., and all remittances should be sent to the Superintendent of Documents direct. His office is not a part of the Department of Agriculture.

The Bureau of Standards has examined twenty specimens of gray cast irons to determine structural differences which might affect their enameling properties. The microstructure of the specimens revealed no differences which could be considered of importance in affecting enameling properties, which are said to vary widely in gray cast irons used for bath tub castings and the like. The work of examination will be continued by the bureau.

Cast Irons Examined

Results of various investigations related to fuel and oil industries are reported in publications recently announced by the Bureau of Mines. Included in the list of these publications, with a word on their scope and their textual direction, are:

Oil, Lignite, Tank Losses, Subject List

Bulletin 201 discusses in considerable detail the legal, technical, and commercial aspects of drilling for oil. A model contract form is presented as a composite of the practices of several of the largest operating companies in California.

Serial 2440 contains a subject list of reports of investigations issued during 1922. The list includes reports relating to the use of bituminous coal in house-heating furnaces, fuel economy from oil plant equipment, determination of sediment in fuel oil, steaming tests of Alaskan lignite, smoke prevention and similar subjects.

Serial 2441 describes the design and operation of a lignite carbonizer devised by the Bureau of Mines in cooperation with the University of North Dakota. Lignite char can be made in the oven described in the bulletin at a cost of approximately \$1.25 a ton less than in by-product ovens previously suggested for lignite carbonization, according to the bulletin.

Serial 2442 describes the apparatus used to prevent evaporation losses from oil tanks. This paper reflects the interest of operators in holding the lighter factors of the crude oil to prevent a lowering of gravity.

The policy of buying crude oil on a gravity basis, recently instituted by the major crude oil purchasing agencies in the mid-continent field, has developed a new and vital interest in the work of the Bureau of Mines for preventing the evaporation of crude oil.

Nation's Business Observatory

CONFISCATION of the insurance business in the name of the state would leave all other private enterprise tottering on the brink of government ownership, declared Henry S. Ives, secretary of the Casualty Clearing House of Chicago, in an address to representatives of public utility interests in convention at Oklahoma City. Other outstanding eventualities loomed on the speaker's horizon. He warned that political pirates would be in possession of ample funds "to acquire every utility business in the country . . . at their own price . . . because they would be able to impair the finances of the corporation . . . by the imposition of discriminatory and excessive insurance charges and by the withdrawal of insurance funds from the utility investment field. . . ."

State ownership of insurance in fact will give the state a foothold in nearly every public utility of importance, and once thus established you will realize how hard it will be to eject the political Robin Hoods who are agitating government ownership for what they can get out of it in the way of prestige, power, patronage, and pelf.

. . . If the state should take over the insurance business—you would have to look to the state for protection. And let me ask you, how many private investors would put their money into property protected only by a politically and socialistically administered insurance fund? Payments from such a fund . . . are subject to the varying whims of a bureaucracy; claims might or might not be adjusted depending on the condition of state finances.

Reviewing the development of various state insurance schemes, Mr. Ives said:

As you perhaps know, the casualty companies are providing the "shock troops" in the fight against state socialization of insurance. Several states have enacted laws establishing state funds for workmen's compensation insurance and a few of these have set up state monopolies, thus driving out of business in that particular commonwealth private insurance carriers of all types. If this policy is continued, as the socialists hope, it is only a question of time until there will be an active agitation for state fire and life insurance funds. In fact, Wisconsin and Massachusetts already have gone into the life insurance business but have made a ridiculous failure of the scheme.

Are Trading Stamp Firms Needed to Give Discounts?

AT A HEARING on a bill introduced in the Missouri Legislature to curtail the activities of trading stamp companies, an attorney representing one of the companies offered the plea that no one paid for the stamps, and that they were simply a discount for cash, says a reprint from the *Interstate Grocer* in the *Northwestern Merchant*. To the *Grocer* the argument sounds plausible:

But whoever heard of it being necessary to employ a third corporation in order to give a discount? No other business under the sun finds it necessary to employ another company to give its discounts to customers who pay cash, and then pay that company 20 per cent for the privilege of having the third company do that discounting for it.

In the decision of the United States Supreme Court in the Washington anti-trading stamp law that court specifically called attention to the waste of having a third company and denounced trading stamps as a lure to improvidence because of the seductive influence embraced in the giving of stamps. That court

likened trading stamps to gambling and in other ways severely scathed them as a waste and condemned the employment of a third party whose services were of no value to the recipient of trading stamps. Whether they are redeemed in cash or merchandise makes not a particle of difference in the end. The public pays the bill for the operation of the trading stamp companies and the Supreme Court said so in so many unmistakable words. They are a delusion and a snare without question and should be abolished.

Coal Problem to Become An Endurance Contest?

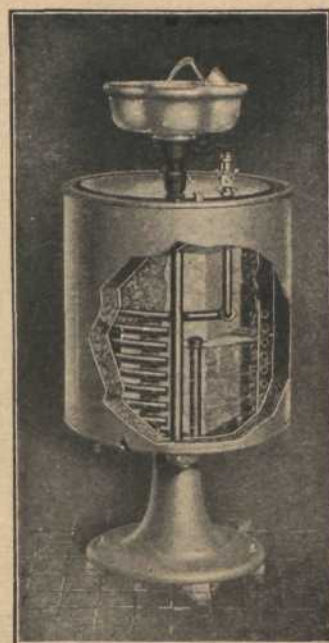
ECONOMISTS continue to give ear to the labored breathing of the coal industry. Something's wrong with the patient, they say. Prescriptions are varied and voluminous. All sorts of cure-alls are put forward. The public listens for hopeful word from the bedside. "Every citizen of the United States desires to live long enough to see the solution of the coal problem," says the *Mining Congress Journal*, in making a diagnosis of the case:

The cure for such industrial and economic ills as those which now rack and ruin the vitals of the industry will not be found so long as present conditions are allowed to continue. Coal producers cannot remedy conditions caused by small-unit competition and overdevelopment while the specter of drastic laws and legislation is held constantly before them. Coal miners cannot improve the situation while they seek an ascendancy over their employers through their union organizations or through government control or ownership. The public will not receive the benefit of lower-priced coal while divided public opinion permits political expediency to work at will in connection with every legislative endeavor to right prevailing conditions. Every attempt by the Government to regulate industry has resulted in higher prices, and the public has had to bear the added costs, not only of increased prices but also of tax-consuming administrative agencies.

Who will pay the bill? is a pertinent query in any discussion of the proposed establishment of storage facilities at the point of production, as a solution of the troubles of the bituminous coal industry. The possibility that this plan may be imposed on the industry is considered by the *Black Diamond*, which first ponders the financial phases.

Take, for a moment, the financial side of the question. A normal mine producing 3,000 tons of coal per day entails a property investment of approximately \$1,000,000. The interest on that amount of capital, at 6 per cent, is \$60,000 per annum, which is one of the fixed carrying charges of such an operation. The cost of the coal marketed from such an operation will be around \$3 per ton, in the unionized fields—this figure covering all charges and being an average for all grades.

If it is made incumbent on the operator to produce and store coal in unlimited quantities regardless of continuity of market demand, each day's product that is stored means an added capital investment of \$9,000. During several months of the year, when the volume of coal purchases is so reduced as to be almost negligible, it would be necessary for the producer to store almost his entire output. Should he operate four and a half days per week, the value of the coal thereby put in storage would approximate \$40,500 each week, \$175,000 each month, or in a three months' period, \$525,000. This simple-sounding operation would thereby add the vast sum of a half million dollars



No. 570 A

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If your men are compelled to wait, in vain, at a water faucet for the water to cool, will they average 3 minutes per drink?

Do they average 6 drinks per day? Is their average wage as much as 30 cents per hour?

$3 \text{ minutes} \times 6 \text{ drinks} \times 30 \text{c per hour} = 9 \text{c per day per man.}$
 $9 \text{c} \times 200 \text{ men} \times 300 \text{ days} = \$5400.00 \text{ per year.}$

Halsey Taylor Instantaneous Cooler Fountains at frequent intervals throughout your plant cut the average time per drink to less than one minute, saving several thousand dollars annually.

Result:—Improved working conditions, healthier workmen, increased production—and thousands of dollars added to your income.

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The ideal equipment for Card Filing Systems requiring space for more than 1400 cards and designed to take care of unlimited requirements. Top Sections are complete two drawer files. Buy Bottom Sections for placing under Tops as filing needs demand. Eight drawer stack with base (at left) for about 12,000 3 x 5 cards, finished Natural Quartered Oak or Imitation Mahogany \$24.80; 4 x 6 card size, \$28.40; 5 x 8 card size, \$32.80; 6 x 9 card size, \$37.25.

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For Card Filing Systems that will not require space for more than 1400 Cards and Guides. Made from the very best grade Quartered Oak finish, Natural or Birch

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3 x 5 \$3.40 4 x 6 \$4.20
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in Mahogany finish. All drawers equipped with easily adjusted steel follow blocks to keep contents in vertical position. Drawers can be quickly removed from cabinet by slight upward tilt. Investigate the *Whe* Card Cabinet line before you buy.



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Made of heavy binders board; edges reinforced with strong material. Outside covered with imported black and white glazed agate paper. Capacity about 1200 Cards. No. 35, 3 x 5 size 60c.; No. 46, 4 x 6 size, 80c.; No. 58, 5 x 8 size, \$1.00; No. 69, 6 x 9 size, \$1.20; No. 49, Check size, \$1.20.

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to capital account. From what source is this additional capital to be derived? Who is to pay the \$30,000 per annum interest charges which such an added investment would entail?

Consumers of hard coal throughout the country are affected by the tax levied by the State of Pennsylvania on every ton of anthracite produced within the boundaries of the state, is an outstanding assertion in another number of the *Black Diamond*. The editor charges that local taxing bodies are responsible for "preposterous impositions," and explains that this coal tax will add nearly twenty-five cents to the cost of every ton of anthracite subjected to the levy.

By the simple means of revaluing the coal lands in one of these counties, the value, for tax purposes, of the anthracite property therein is increased from \$62,000,000 in 1921, to \$437,000,000 in 1922, or over 600 per cent. Adding insult to injury, the commissioners aver that this valuation is based on a 60 per cent estimate of true worth. According to this, the real value of the anthracite land in this one county is over \$750,000,000, which is almost double the entire worth of the anthracite industry as estimated by the United States census bureau.

These enormous figures have been arrived at regardless of any facts which might have been taken into consideration. It is the sworn duty of tax officials to ascertain the true worth of property, based on its actual sale value. It is said to be a proven fact that no acre of coal land in this entire district has ever sold for as much as \$2,200, and that it has frequently passed for as low as \$600. This has not deterred these valiant tax officers from assessing this same land at from \$4,700 to \$5,300 per acre. They are undoubtedly able to square this action with their own conscience.

The strengthening of the authority under which the Coal Commission is conducting its investigation is welcomed by *Coal Age*, which takes note of the teeth in the law, making compulsory the answering of questionnaires.

There is no reason now why anyone should delay sending to Washington data called for by the commission, unless it be the plain unvarnished desire to withhold. It is no secret that there are some coal operators and others who would like nothing better than to hamstring the whole program. It is fortunate that they are in the minority and do not represent the feeling of the majority of the leaders or of the rank and file. So far as we are aware the opposition to supplying facts to the coal commission centers in southern West Virginia. The feeling is quite general, however, that eventually this district will not only put in all the facts but that it will put them in just a little more complete and in better form than any other field. Whoever he may be, anyone will think hard and several times before giving the commission occasion to test the power of its authority.

Pennsylvania Proud of

Its Women Stockholders

TAKING as his text a statement attributed to Roger Babson in his Bulletin of Investment Advice, "The Pennsylvania is largely owned by women, orphans, educational institutions, and a great group of absentee investors. No one in active control has a predominant interest. Whenever corporations reach this stage they should be avoided. Put your money into railroads that haven't yet become a 'Woman's Road.'" W. W. Atterbury, a vice-president of the Pennsylvania System, told members of the Philadelphia Music Club that of the total number of stockholders on February 1, 1923 (138,545), 66,962 were women, and that they

owned 3,144,375 shares, an average of 47 shares each. General Atterbury said in part:

... we are proud of the fact that so many of our stockholders are women. To have a widespread interest of women in the Pennsylvania ownership is an indication of their confidence in the management and the property, and, I assure you, it contributes toward the conservatism, integrity, and soundness that have always characterized the financial plans and policies of our railroad.

... it is clear to me that what has come to be known as the railroad situation in this country is as much your problem, and that of every other intelligent American citizen as it is mine or that of any other railroad man.

There is no escape from the fact that whether we have good railroads or bad depends altogether upon what the people themselves desire the railroads to be. . . .

By default on the part of the people themselves, the railroads have been allowed to pass under a system of Governmental regulation which stunts their growth and threatens their very existence as private enterprises operated in the public interest.

Fogs Chased, Clouds Broken By Spraying Charged Sand

NO SCIENTIFIC revelation of the century has stirred the imagination and aroused general, world-wide interest to such an extent as the recent announcement that fogs are dispersed and clouds are broken by the device of spraying electrically-charged sand upon the cloud or fog, says *Industrial and Engineering Chemistry*, for "the mind naturally leaps to 'rain-making'—that dream which has plagued inventors for ages." The reader is told that

Theoretically rain can be brought out of the clouds. Practically, it has not, as yet, been demonstrated that the spraying of electrically-charged sand will do it.

The next few weeks or months, however, may see the actual performance of this thing. The United States Army Air Service is planning a thorough investigation of the scheme, which was the invention of L. Francis Warren. Experiments have been in progress at the McCook flying field in Dayton, Ohio, and the results have been very satisfactory from the standpoint of dispersing fogs and breaking up light clouds, but unsatisfactory from the standpoint of rain-making.

The editor of *Industrial and Engineering Chemistry* reprints an article written for the *Cornell Sun* by Prof. Wilder D. Bancroft, who has been working with Mr. Warren for two years. Describing the process of rain-making, Professor Bancroft says:

Of course one cannot go up in a cloud and stroke the drops with rods of sealing-wax which have been rubbed on the coat sleeve. That would be what is popularly known as the impractical method of the college professor. Instead of that, Mr. Warren runs dry sand which will pass a 150 mesh sieve through a nozzle, which was designed by Professor Chaffee of the Cruft High Tension Laboratory of Harvard, and which charges the sand particles to 15,000 volts or higher. Both the sand and the electric generator are carried on an airplane 500 feet or so above the cloud. The observer starts the generator and opens the hopper, letting the electrified sand run out above the cloud and settle upon it, not the easiest thing in the world to do with a plane flying 110 miles an hour. That means about two minutes for a cloud 2 miles long, so it is fair to assume that much of the sand misses the cloud. The skill of the Army Air Service pilots is so great, however, that it has been possible to smash large clouds to pieces at

8
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Hand
Work*



The SYNTRON ELECTRIC HAMMER

You can save eighty cents out of every dollar of the cost of hand labor on drilling or chipping masonry or on chipping metal. If your business involves such work it will pay you in real dollars and cents to investigate.

The Syntron Hammer is thoroughly dependable. Note that please. It has only one moving part—no motor, gears, cranks or eccentrics. Absolutely nothing to get out of order. And it's—

CONVENIENT—Carry it around like a suitcase.

ADAPTABLE—Use it wherever there is alternating current. Just plug into any light socket and you're ready to go. No additional power equipment to buy and maintain.

POWERFUL—*Three inches a minute!* That's the way the small size regular type Syntron Hammer drills into hard concrete.

An Efficient and Thoroughly Practical Portable Power Hammer.

For Drilling, Chipping and Light Stationary Riveting on Assembly Work.

The Syntron General Purpose Outfit consists of a hammer and a supply of Star Drills, Stone Points or Cold Chisels—various sizes and assorted to fit your needs. Write for descriptive literature and prices.

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McCook Field in Dayton in less than ten minutes.

When the upper part of a cloud is thus made to rain, the large drops falling through the lower portion of the cloud will carry down with them many of the smaller drops. There is therefore no necessary connection between the sand used and the amount of rain obtained, the rainfall increasing with the thickness of the cloud. It is this which makes rain-making a commercial possibility and differentiates Mr. Warren's process from its predecessors. The modern airplane makes it possible to go above the clouds and to take advantage of the sweeping action of the falling drops, which will be very considerable in rain clouds a mile thick. It is not proposed to make rain out of a clear sky. The process is one involving coalescence of drops and not one of condensation of water vapor. The inability to produce rain from a clear sky is not serious because, in many arid regions of the west, enormous storm clouds pass over the country but without raining. These can probably now be made to rain where wanted; and increasing the annual rainfall from 11 to 22 inches means an enormous increase in the wealth of the country.

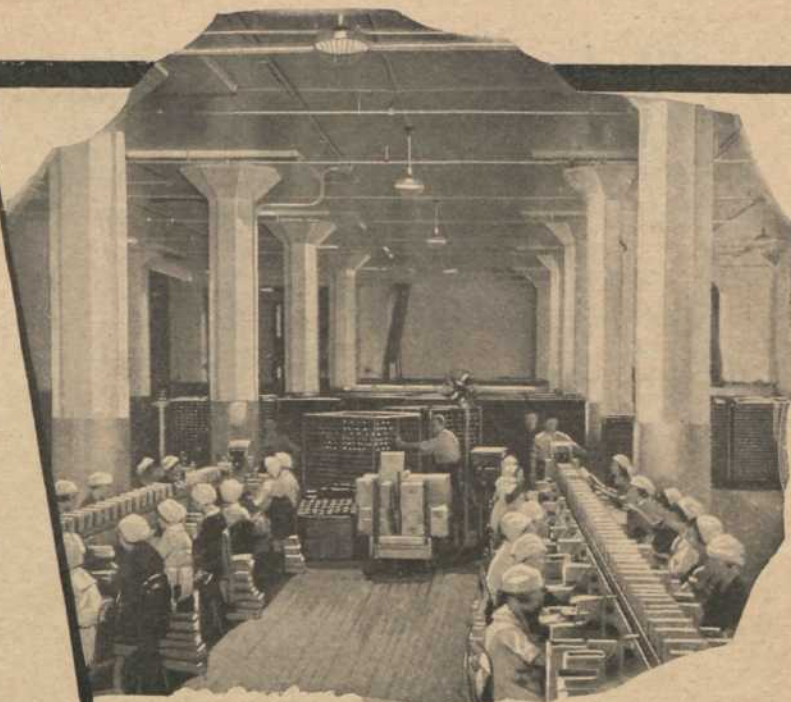
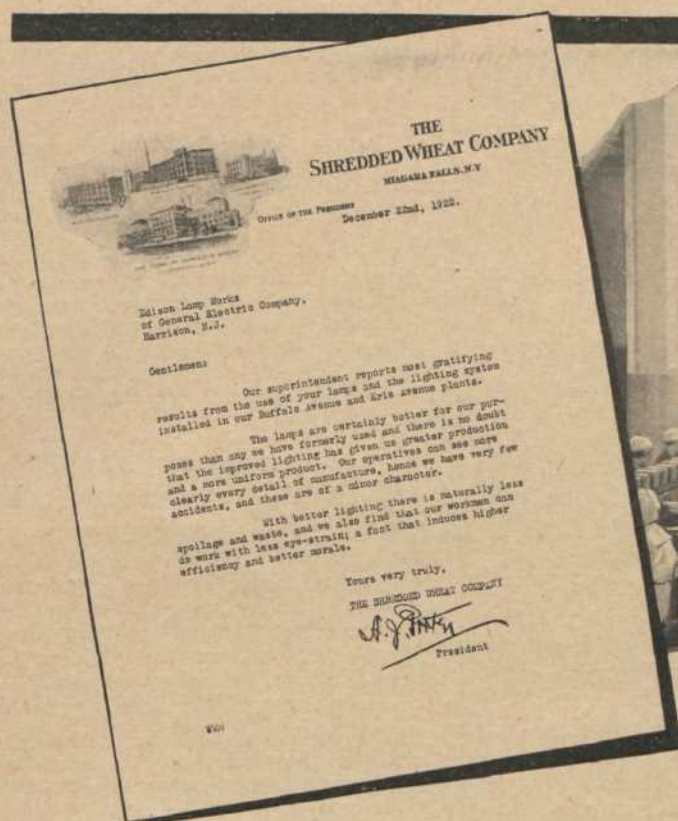
No actual experiments in rain-making have been made as yet. The Army Air Service was interested in clearing flying fields of fogs, which are low-lying clouds. In the work at Dayton, the clouds contained very little moisture and the rain evaporated before reaching the ground. The results obtained in smashing the clouds were so satisfactory that the Army Air Service is about to try real experiments at Moundsville, West Virginia, using a captive balloon as a means of getting the sand above the fog. So far, the work has been a demonstration of the principles involved and the actual tests are yet to come. The preliminary results have been so much more successful than was anticipated that we feel confident that we can keep flying fields free from fog. It seems probable that New York Harbor could also be kept clear and it is not impossible that, with improved apparatus, we may be able to attack such a problem as the London fog with some chance of commercial success. Rain-making should apparently be easier than fog dispersal; but one cannot be sure of that until it has been done.

My connection with the matter has been as scientific adviser to Mr. Warren since early in 1921.

False Teeth Now Defined And Properly Catalogued

IN THE midst of alarms and excursions, a bewildered and bedeviled world may find a momentary surcease of care in digesting an official pronouncement that false teeth are not "toilet articles." So rules the Supreme Court of New York. To give a further fillip to fancy, the court holds that false teeth are not "jewelry" or "scientific apparatus." The ruling interested the *American Perfumer*, which tersely outlines the matters at issue.

The decision of the court in which classification of false teeth under any of these heads is denied was written by Justice Delehanty in reversing an order of the City Court in an action brought against an insurance company by one of its customers who, having taken out a policy protecting him in \$2,000 against direct loss of personal effects, including toilet articles, jewelry and scientific apparatus, was robbed of his false teeth while traveling in Europe from Prague to Warsaw. These teeth were valued at \$750 by the insured, and he sought to recover that amount from the insurance company on the ground that it was the intention of the policy to insure him against the loss of any article used by him personally. That he used his false teeth personally the company did not deny, and the trial justice construed the policy to cover them within one



This room, where Shredded Wheat is packed, is but a part of the huge Shredded Wheat factories where proper light from the right Edison MAZDA Lamps is paying big dividends on the investment.

"Improved lighting gave us greater output and a more uniform product"

says A. J. PORTER, *President, Shredded Wheat Company*

IN the past few years industry after industry, like the Shredded Wheat Company, Cluett, Peabody & Co., Inc., and others everywhere, has learned how to employ light to speed up production and lower factory costs.

Mr. Porter, in his letter shown above, adds these convincing words:—

"With better lighting there is naturally less spoilage and waste, and we also find that our workmen can do work with less eye-strain; a fact that induces higher efficiency and better morale.

"Our operators can see more clearly every detail of manufacture, hence we have very few accidents, and these are of a minor character."

The profits that come from proper light are

tangible; they show in dollars and cents on the right side of the balance sheet.

If you would like advice about your lighting, our Lighting Service Department will be glad to plan your illumination according to modern standards. There is no charge for this service.

Special lighting booklet for you

If you want to know the great benefits, at low cost, from better factory lighting, ask the Lighting Service Department, Edison Lamp Works of General Electric Company, Harrison, N. J., for a lighting bulletin for your special business. Yours for the asking.



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Other ALUNDUM products include abrasives in the shape of wheels, bricks, sticks and various shapes of stones which are used in the marble, granite, pearl and cut-glass industries; in the production of cereals, flour, chocolate, high-grade paper; in the textile, corset, watch, clock and cutlery industries. In fact, the expansion of the field for grinding since the advent of ALUNDUM abrasive is amazing.

The Norton plant behind these ALUNDUM products is in itself a guarantee of quality. If your factory is using ALUNDUM GRINDING WHEELS, why not see that your stairways and public entrances are protected with ALUNDUM SLIP-PROOF FLOORS, and that your laboratories are using ALUNDUM REFRACTORIES and LABORATORY WARE.

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of the categories named. But on the appeal Justice Delehanty says:

"I am of the opinion, however, that construing the words in their ordinary and accepted meaning . . . the words 'toilet articles' cannot be construed to include false teeth any more than a false ear could be deemed a toilet article.

"So, too, the words 'scientific apparatus' in the ordinary meaning of these words cannot be deemed to include false teeth, even though they might be deemed a product of scientific apparatus.

"Furthermore, the word 'jewelry' indicates gems or ornaments used for personal adornment, and in the ordinary and usual meaning the word cannot be construed as including false teeth any more than false hair or a false eye could be deemed to be jewelry, even though they might improve the appearance of the person."

"What Is a Living Wage?" Canadians Want To Know

THE IMPRACTICABILITY and the undesirability of the arbitrary fixture of wages as shown by long experience will eventually defeat attempts in the direction of establishing "living" wages by law or by union edict, believes the *Western Canada Coal Review*. Answering the question, "What is a living wage?" the *Review* says that:

Whoever coined the phrase "living wage" surely did something for Canadian business, for living wage seems to rest entirely upon what each individual thinks is such a wage in his particular case. For instance, there are miners earning \$8 or more for a seven-and-a-half-hour day. In the cities in the same district there are thousands of men working hard for ten hours and only drawing little more than \$3. Thousands of other men are not able to obtain work at all, but they don't belong to a powerful union, so cannot work producing the coal of which we have so much.

An interesting point is this: If the miners getting \$8 a day are getting a "living wage," how about the workers at \$3 a day—and what is the position of those who cannot get work at all? The "living wage" idea has a wide appeal in theory, but it has no place in the inexorable laws of economics. Men are paid what they earn in labor or service, not what their desires or needs demand.

A "living wage," from the standpoint of organized labor, means a purely imaginary amount that all workers in a given class would like to have in order to maintain a certain scale of living. What the given industry can pay is ignored.

New Rubber-Snow Process May Cheapen Manufacture

A NEW PROCESS for utilizing rubber has been developed by Hopkinson, of the General Rubber Company, writes Frederick Kaye in the *Manchester Guardian Commercial*. The process consists of a method for throwing out the rubber content of rubber latex (the white milky fluid), together with other solid contents of the latex, giving when compounded and vulcanized a product which is 20 per cent stronger than can be produced from the same percentage materials with plantation rubber when prepared in the ordinary manner. Mr. Kaye, the technical director of Kaye's rubber latex process, tells his readers that

Hitherto plantation rubber has been coagulated from the latex on the plantations, washed, dried, and in some cases smoked, and thus shipped to the rubber manufacturing countries. It is then masticated on hot rollers and compounded with mineral fillers, accelerators, sulphur, etc., and the articles moulded from the



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But when fire came this man paid for his mistake. The papers said four lives were lost and the building stands an empty shell—the contents weren't fireproof. Maybe you, too, ought to be getting all the facts about Globe Sprinklers—the fire protection that pays for itself. Telephone our nearest office.

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Typical installation of RAND equipment in offices of The Mennen Co.

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RAND COMPANY, INC., NORTH TONAWANDA, N. Y., U. S. A.

dough vulcanized to the required degree. Hopkinson, by spraying liquid preserved latex into a tall chamber filled with heated air, is able to cause the atomized particles of the solid contents of latex (made up to 92 to 96 per cent of pure rubber) to fall as a sort of rubber-snow upon the floor of the chamber. This finely-divided rubber can be readily mixed and compounded with the necessary materials to produce the quality and kind of rubber article required.

... tanks are used for the export of the preserved liquid latex from the plantations to the rubber factory, and there the atomizing process would take place. In this way some of the expensive machinery and processes in the factory may be cut out, with a lessening of the cost of production, as well as giving stronger and more durable rubber goods. The latest patented idea, which has been assigned to the General Rubber Company, of which Hopkinson is a leading associate, is to project the stream of latex at the top of the chamber upon a rapidly revolving disc, which throws off the latex particles into the heated chamber. In this way the solidified rubber particles can be produced of definite and regular sizes according to the speed of rotation of the revolving disc.

In this production of finely-divided rubber-snow many of the finely-divided minerals, together with sulphur or other vulcanizing agents, may be mixed with the liquid latex, and the rubber-snow produced will give a coagulated and compounded product by one and the same process. This material can then be sheeted and moulded as required.

Dollar Gasoline a Myth Say the Trade Journals

THE NOISE and flame with which a senatorial committee pronounces that the petroleum industry of these United States is held fast in the ruthless grip of a monopolistic monster that will wrest from the suffering public one dollar for each and every gallon of gasoline to turn the wheels of the farmer's tractor or the bootlegger's sportster are only political pyrotechnics, assures the *Oil, Paint and Drug Reporter*.

Coming from a source less exalted, the Senate Committee's warning as to the probability of a dollar a gallon for gasoline would be humorously absurd; as it is, the utterance is ridiculously pathetic in its indication of ignorance or disregard of self-evident truths. For months, yes, years, the position of gasoline as a motor fuel has been encroached upon by alcohol-benzol mixtures, alcohol alone, and other products. The prices of these substitutes today are but little in excess of that of gasoline—and a price of far less than a dollar a gallon for industrial alcohol would be a potent influence of extended production.

There is no likelihood that "the people of this country must be prepared before long to pay at least \$1 a gallon for gasoline," the Senate Committee investigating the petroleum industry to the contrary notwithstanding, declares *Automotive Industries*. The editor writes that

Without discussing at all the merits of the dispute between the Senate Committee and the oil companies, it is obvious that nothing could so quickly decrease the profits of the gasoline producers as raising the price to a dollar a gallon "before long." Exhaustion of the petroleum supply, coupled with an increasing demand for petroleum products, may conceivably quadruple the price of gasoline some time in the future, but no such price increase need be feared from combination or monopoly as such.

Large producing units, such as the Standard Oil Company, recognize better than anybody

else that quantity production and large volume sales are requisite to large profits.

Charges that a conspiracy exists to hoist the price of gasoline to a dollar a gallon turn the editorial eye of the *Financial World* on Senator La Follette. Only a statesman so steeped in hate for corporations that he is unable to detect any good at all in them could blunder into such a ludicrous belief, asserts the editor and continues

To the myopic vision of the Wisconsin solon the monster behind this evil design is the Standard Oil ogre. This expulsion of oratorical gas will not create any loud reaction since the allegation it carries will not receive any credence except among the senator's small coterie of "*Squat the Corporations*" disciples.

It was hardly necessary for Standard Oil officials, or other oil men, to brand La Follette's conclusions as false, since the oil industry, as it is now constituted, cannot be controlled by any single group of corporations, however powerful they may be financially. There are too many independent units operating in the business for a monopoly to be effected in it.

If gasoline prices have advanced it is due entirely to the irresistible law of supply and demand. Whatever rise has occurred has not been at the same ratio as has been maintained in other commodities. Would the senator contend there was a plot to put copper over 17 cents a pound, or cotton around 30 cents? Should it happen that barley, which his own state raises, doubled in price, the doughty Wisconsin corporation-baiter would hail it as a divine act of Providence. There would be no conspiracy there.

It all depends upon where prices jump, whether the senator shoots his gas or not.

Style Stealing As Seen In The Cloak And Suit Trade

STYLES CANNOT very well be copyrighted any more than news can be, concludes the *American Cloak and Suit Review* after an editorial examination of "style stealing" in the cloak and suit industry.

The methods used in that form of pilfering show traces of real ingenuity, which could just as well be used in the creation of original styles, says the editor, and he sees the trade's growing sense of fair play as the only relief in sight.

One well-known manufacturer must face trial in a criminal court because he is alleged to have received models stolen by an employee of a house making high-class merchandise. The procedure, as charged, is that the employee walked off with garments and the accused producer copied them.

The latest models of the big model houses catering to exclusive consuming trade and foremost manufacturers are not safe from the wiles of the plagiarist. A typical instance is one in which a designer for a manufacturer goes into these exclusive shops, apparently in quest of a garment for herself. She is hard to please and looks over virtually everything the couturier has to offer. Then she calmly says she is just looking around and takes her departure. She's learned a lot about collars, sleeves, fabrics and colors.

There was once a retail store whose buyers went around the showrooms the early part of one season with young women who were introduced as "assistant buyers." Permission for the latter to sketch some of the producers' offerings to "show to the other buyers" was asked and obtained. These designs were later turned out by obscure manufacturers in low-rent neighborhoods for the store with the sketching "assistant buyers." The intimation is quite plain.



If the subscriber paid direct

Suppose that every Monday morning all the people who have a hand in furnishing your telephone service came to your door for your share of their pay. From the telephone company itself, would come operators, supervisors, chief operators, wire chiefs, linemen, repairmen, inspectors, installers, cable splicers, test-boardmen, draftsmen, engineers, scientists, executives, bookkeepers, commercial representatives, stenographers, clerks, conduit men and many others, who daily serve your telephone requirements, unseen by you.

There would be tax collectors to take your share of national, state and municipal taxes, amounting to over forty million dollars. There would be men and women coming for a fair return on their money invested in telephone stocks and bonds—money which has made the service possible.

Then there are the people who produce the raw materials, the supplies and manufactured articles required for telephone service. They would include hundreds of thousands of workers in mines, smelters, steel mills, lumber camps, farms, wire mills, foundries, machine shops, rubber works, paint factories, cotton, silk and paper mills, rope works, glass works, tool works, and scores of other industries.

When you pay your telephone bill, the money is distributed by the company to the long line of people who have furnished something necessary for your service. The Bell System spares no effort to make your service the best and cheapest in the world, and every dollar it receives is utilized to that end.



"BELL SYSTEM"
AMERICAN TELEPHONE AND TELEGRAPH COMPANY
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One Policy, One System, Universal Service, and all directed toward
Better Service



It's always cool and cheerful
at the soda fountain.

Enjoy thirst~

**Walk in ~ there's
a bright red sign to
guide you to a cool and
cheerful place - where
they serve the beverage
which proves itself per-
fect when you taste it**

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THERE are a few positions open on the selling staff of THE NATION'S BUSINESS in Florida, South Carolina, Alabama, Tennessee and Kentucky.

Our representatives, all of them of exceptionally high type, sell this magazine to a selected list of business men. They earn from \$170 to \$600 per month. We furnish the training and the transportation.

If you are interested, and think you can sell subscriptions to this magazine, or can learn to do so, write us immediately. Tell us completely about your experience and territory preferences. Address THE NATION'S BUSINESS, Chamber of Commerce of the United States, Washington, D. C.

Human Nature in Business

By FRED C. KELLY



IN DEALING with women, a book agent once told me, it is important that the salesman should be clean-shaven, his voice low and well-modulated. Nothing wins a woman's confidence like a low, quiet speaking voice, and most women are suspicious of strangers having beards. No matter how neatly a beard is trimmed it rarely seems as frank and above-board as a face cleanly shaved.

LIGHTS ATTRACT human beings in much the same way that they do moths. On this account, Fifth Avenue, New York, merchants are getting together for a defensive scheme to darken their show windows at night. *They don't want to attract people then.* What, you ask, are show windows for? The idea is that if they attract a night crowd of window shoppers, then there might be restaurants to feed such crowds. Along with restaurants might come cheap little shops, such as abound on Broadway. Then the tone of Fifth Avenue would be destroyed and every merchant having valuable property there would suffer serious damage. Hence, they prefer to pull their shades at night. Far-seeing folks, these merchants!

IT IS almost impossible to change the habits of human beings, considered in the mass. New York subway cars might take on passengers at one end and discharge them at the other end. They tried it. But no way has been devised to make passengers follow such rules. They go jamming into the same door from which others are struggling to make exit. So the company gave up trying to change their habits.

MANY a man would rather have a wrong opinion go unchallenged than to have somebody point out the facts.

IN CHILDHOOD I was often told, in the words of Shakespeare: "Neither a borrower nor a lender be," and I accepted this as a crystal of wisdom; now I find that almost every great business success is the result of heavy borrowing. The man who does not know exactly where he or his organization is headed, passes unheeded a lot of useful sign-posts that contain simple directions in words of one syllable.

THE HEAD of a company employing several score of salesmen dealing with farmers used to tell his men:
"If you go to a farm and they have a dog, don't delay a moment learning the dog's name—and don't forget it. The next time you come, be sure to call that dog by name. If it's a good dog, or a pretty dog, say so. Find out the names of the children too. And see that the children know the name of your

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The expenditure of effort and resources to make the Lincoln the finest motor car in the world is no more pronounced than the organization of means to render its maintenance convenient and economical.

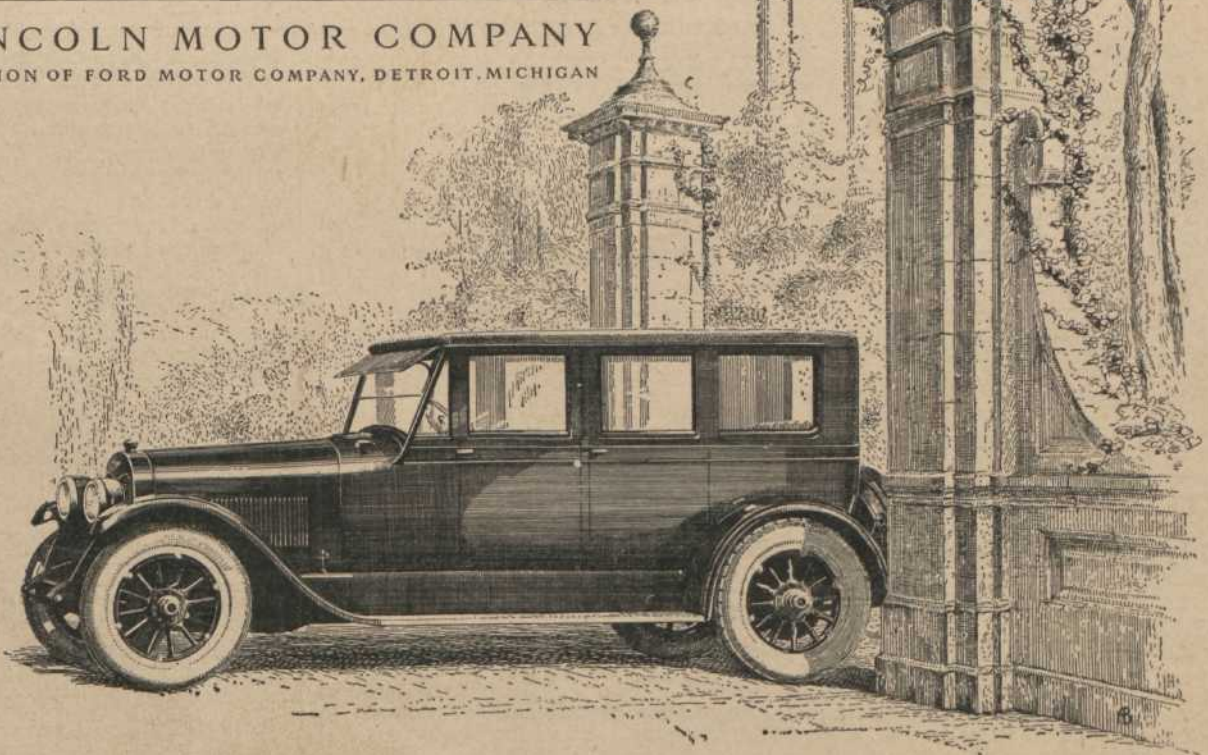
Lincoln service, therefore, is being rendered by factory-schooled men who are known to be competent to handle any detail of the car's care.

Wherever you go you will be only a short distance from a capable Lincoln mechanic with adequate equipment and supply of parts.

It is not only our purpose to make the Lincoln the finest car to be had at any price but also to provide it with the most complete and universal service. This is not a deferred promise, but a reality.

LINCOLN MOTOR COMPANY

DIVISION OF FORD MOTOR COMPANY, DETROIT, MICHIGAN



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horse. It is almost impossible to have anything but friendly relations with a caller who knows your dog and children by name and whose nice old horse is personally known by name to the children.

IN NEW YORK CITY one prosperous year, several men were practically ruined because, when they moved to new offices, they failed to do so at a time that would insure their names being in the next issue of the telephone directory. In many lines of business, in a large city, not to be in the telephone book, and with a correct number, is only a little better than not being in business at all. An astounding amount of modern business is transacted entirely by telephone. When a customer looks in the book for the name of a firm and finds it missing, or is told by the operator that the number has been changed to something else, he is quite likely, the next time, to call up some other firm.



JUST AS shorter skirts boost the sales of shoes of better quality—for logical and obvious reasons—the practice followed by young movie addicts, and others, of adding oil to their hair to give themselves a fashionable eel-like appearance, is a great boon to hat manufacturers. The hair oil soaks through the sweat band and discolors the hat, thus detracting from its nifty, modish appearance. An enterprising hat manufacturer could almost afford to pay a liberal bonus to all barbers who talk their customers into using hair tonics.

AFRIEND of mine had a clump of building lots for sale. One was in a slightly less desirable location than the others, and he offered it for \$200 less than the other lots. Nobody would buy it. Everybody was willing to pay the difference to have a lot just as good as the best. Then my friend hit on the scheme of pricing the less desirable lot at \$100 more than any other. The next day he sold it. Somebody came along who thought it must be better because it cost more. Moreover, \$100 is a low price for the privilege of feeling superior to one's neighbors.

A YOUNG bond salesman was busy trying to dispose of an issue of bonds that matured all the way from two to ten years. Two two-year bonds sold readily because the buyers wouldn't have their funds tied up very long, the three-year bunch sold next best, and the ten yearlings didn't sell well at all. So the bond house craftily raised the price of the ten-year stock, explaining that those bonds gave a long, undisturbed investment. Then the ten-year bonds went off like a crop of late strawberries.

PEOPLE who rent apartments know the fatality of charging too little. If a landlord charges much less than the man across the street does for exactly the same thing, women will think the apartment isn't going



**Bureau of
Canadian Information**

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Chicago, New York and Montreal are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

Development Branch

If you are considering the establishment of your industry in Canada, either to develop Canadian business or export trade, you are invited to consult this Branch. An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Information as to such raw materials as well as upon any practical problem affecting the establishment of your industry, including markets, competition, labor costs, power, fuel, etc., is available.

No charge or obligation attached to the above service. Business men and organizations are invited to make use of it.

**CANADIAN PACIFIC RAILWAY
DEPARTMENT OF COLONIZATION AND DEVELOPMENT**

Windsor Station
Montreal, Can.

C. P. R. Building
Madison Ave. at 44th St.
New York

165 E. Ontario St.
Chicago

to be heated properly, that the janitor is a drunkard or that some defect not visible to the nude eye will crop out after the family are all moved in.

I MET two husbands standing in front of the window of a famous shop, laughing raucously at a fresh sign on an admittedly handsome gown. The sign read: \$70 was \$135.

"My wife was going to buy that dress six weeks ago," declared one of the husbands, pointing and still chuckling merrily; "she was afraid that if she didn't hustle up the price might advance."

THOUSANDS of folks would rather order from a catalog or sample than to go into a convenient store and buy the same article. The reason is not because of lower prices. Indeed, prices have comparatively little to do with it. It is the Christmas instinct—the love of opening packages. When a man orders an axe or a pair of boots from a distance, he knows in a general way what he is to receive, but he idealizes and wonders if the articles in the box will be exactly like his mental picture. This arouses his curiosity and gives him pleasurable excitement.

IF HIGHER prices of clothing continue, one result, according to a friend of mine who studies statistics, will be more divorces. The head of a family accepts philosophically a heightened cost of groceries, because the cost is scattered along from week to week. Perhaps he does not keep figures to indicate how much more his food does cost him. But the cost of clothing is likely to hit him all at once and irritate him beyond measure. When he gets a bill for a dress for his wife costing twice what she used to spend, he is quite likely to leap heedlessly to the notion that the blame rests with her more than with the whole economic situation. He makes unkind, sarcastic remarks to her about feminine extravagance. She retorts in kind and perhaps mentions little personal shortcomings of his that he did not suppose she had ever noticed.

ACERTAIN senator's wife recently declared that her daughter had been grossly insulted by a saleswoman in a Washington department store. It seems that the saleswoman had merely asked the daughter if she were not the employed shopper from a rival store. The mother was horrified that her daughter should be mistaken for anyone who worked. She did not recognize that her daughter—incapable of earning her own living—had been paid a compliment.

ANOTHER man and I once spent an hour arguing over how to accomplish a certain piece of work the next day in the rain. Then we happened to look at the weather forecast, and found that on the next day there probably would not be any rain.

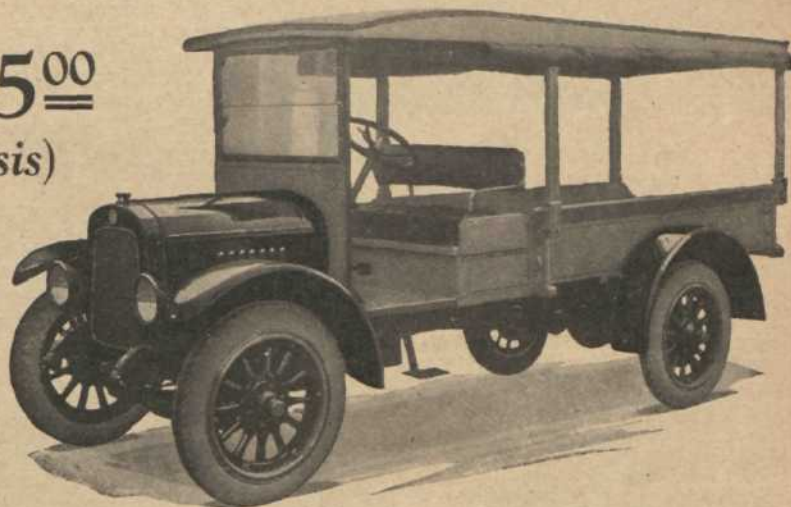
I ONCE heard a great executive say: "If you were called upon to take an executive position with a badly demoralized organization, and quick action is necessary, discharge every dissatisfied employee and you will get rid of 75 per cent of the incompetents and 90 per cent of the trouble-makers. Every employee who is dissatisfied is not necessarily an incompetent or a trouble-maker, but nearly every incompetent or trouble-maker is dissatisfied."

RUGGLES

Newest Model

The Go-Getter—1,500 lbs. Capacity

\$795⁰⁰
(Chassis)



The World's Greatest Truck Value

New emphasis is given to the value of Ruggles Trucks in this 1,500-pound capacity model. It offers economical and dependable transportation to merchants and manufacturers whose average haulage load is less than one ton.

The Go-Getter is a typical Ruggles production. It has the same high quality material and the same care in design and construction that so quickly won national recognition for the other models of the Ruggles line.

Ruggles Trucks are built of the finest material that long experience and tremendous buying power can command. The durability thus secured—and the low cost—make them admittedly *the world's greatest truck value*. A unit for every haulage need at chassis prices from \$795 to \$2,195.

Ask the nearest Ruggles dealer for an expert opinion on your transportation problem. Write us for illustrated literature.

Dealers in unoccupied territory are invited to write for our unusually attractive money-making opportunity



Chassis Prices

F. O. B. Factory

Go-Getter . . \$795	Model 40 . . \$1,995
1,500 lbs. capacity	5,000 lbs. capacity
20-R \$1,295	Model 40-H \$2,195
2,500 lbs. capacity	6,000 lbs. capacity

RUGGLES MOTOR TRUCK COMPANY, Saginaw, Michigan
Canadian Factory: Ruggles Motor Truck Co., Ltd., London, Ont.



A Scientific Safeguard

Prevention is better than cure. A scientific Urinalysis will tell more about your exact physical condition than any other single test.

This is because the kidneys are the blood filters.

Bright's disease and troubles of the digestive organs creep on your system like a thief in the night, and become chronic unless they are detected in time.

THE NATIONAL BUREAU OF ANALYSIS was founded fifteen years ago to give periodical Urinalysis as a means of HEALTH PROTECTION.

The success of this BUREAU is proven by the number of its IMITATORS. But the original BUREAU is still the largest and BEST, because it gives a full and scientific Analysis that inspires confidence and keeps subscribers.

Urine Analysis is *NOT A SIDE LINE WITH US*. It is our whole mission and function.

The Analytical Staff is composed of trained and qualified technicians, bacteriologists and Analysts; many of whom have been doing hospital work for years.

Each specimen is subjected to no less than twenty-six tests, and the result of these tests are recorded on blank forms so that no copying from a previous report is possible.

When you pay for Urinalysis as PROTECTION, see that you get the Service of Experts. This is what the NATIONAL BUREAU OF ANALYSIS offers you at a minimum of trouble and a negligible cost. Our service costs only \$15.00 per year.

Our new brochure, "The Span of Life," gives you interesting information on how to preserve your health and lengthen your life. Write for a copy. IT IS FREE.

NATIONAL BUREAU OF ANALYSIS
N. B. 53 Republic Bldg., Chicago, Ill.

Please send me without obligation your book "The Span of Life" and full particulars of your plan.

Name

Address

Log of Organized Business

A PLAN FOR community scoring has been devised and put into practice at Morgantown, West Virginia. The plan and its application are outlined in the *Radiant*, the official publication of the Morgantown Chamber of Commerce. That publication thus explains how the movement began:

Early in 1922 as a result of hearing of the coordination of efforts among various state agencies interested in social, health, educational, and public activities, the Morgantown Rotary and Kiwanis Clubs recommended to the Chamber of Commerce the appointment of a coordination committee to recommend a better correlation of the various organizations and activities in Morgantown.

... this committee ... recommended to the directors of the Chamber of Commerce the use of a community score card which the committee had tentatively prepared as suitable for a city like Morgantown. ...

The thousand-point standard set up by the score card was divided into ten sections of 100 points each with five subdivisions in each section or a total of 50 topics in the entire score card. It was finally decided that each of these 50 topics should be assigned to a committee of from three to fifteen citizens of the community best informed or most interested in the particular topic under consideration. Letters of instruction were sent to each of these committees giving some interpretation of the topic assigned them and suggestions as to the standards to be used in scoring Morgantown under that topic. For instance; the letter to the committee scoring Public Health Service read as follows:

"Please prepare a report of about 500 words setting forth the standards for Public Health Service including professional units and lay organizations that are generally accepted as adequate to protect the health of these citizens, with statistical estimates to indicate how conditions in Morgantown compare with these standards. If the community of Morgantown's general class that seems to you to have best public health service would be entitled to a score of 30 points to how many points do you think Morgantown is entitled? What suggestions have you for raising the Morgantown score up to the 30-point standard?"

A large proportion of the 400 odd citizens, men and women, appointed to these 50 committees responded enthusiastically to the tasks assigned to them. Textbooks and reports and well-informed persons were agreed upon as sources of information about standards. Detailed investigations of actual conditions in Morgantown were assigned to individual members of the different committees.

Reports were handed in by the committees, and their reports were edited by a coordination committee. After summaries of the reports were prepared, the Chamber of Commerce arranged to present a digest of the information at public meetings, so that the citizens might be acquainted with the true state of local conditions.

The practical benefits accruing to the community from the application of this plan are suggested by the *Radiant* in this paragraph:

The advantages to the community of this focusing of attention on the health of the community was strikingly illustrated by the favorable action on the very next day of the county commissioners in promising as soon as possible funds for a full-time public health unit in cooperation with the State Department of Health.

The total possible public health service score was placed at 100 points. On the scoring by the citizens, Morgantown earned 62.

The public health survey was only one phase of the community scoring plan as un-

dertaken in Morgantown. The plan in its entirety, as outlined above, includes the following sections with their possible scores: Business, 200; Government, 100; Health, 100; Education, 100; Morals and Religion, 100; Social Welfare, 100; Home Economics, 100; Culture, 100; Community Spirit, 100.

Complete information as to the practical application of this scoring plan is available to other communities in West Virginia through the Extension Committee of West Virginia University. This scoring plan was designed to reveal the true conditions in a community at the time of a survey, and it is comprehensive in its scope. The plan as now applied to cities is the outgrowth of a similar plan developed at the University for application to rural communities, which has been working very successfully for several years.

Another Get Together Plan

A PLAN for a civic council has been approved by the board of directors of the Chamber of Commerce of Fort Wayne, Indiana. Endorsement of the plan by the several civic clubs of Fort Wayne is considered certain. To make the civic council a division of the Chamber of Commerce, it is provided that there be one representative from each civic organization, and that these representatives shall hold their positions for one year, or until such time as the civic organizations which they represent shall appoint their successors.

According to the plan, this council will act as a recommendatory body to the board of directors of the Chamber of Commerce, says the Fort Wayne *News-Sentinel*. Within the civil council will originate suggestions for the good of the city and the community in general. These suggestions will be submitted to the board of directors of the Chamber of Commerce for their consideration and sanction, and plans would then be made for carrying out or lending assistance in the promotion of desirable civic undertakings.

The board of directors is neither to discuss nor take part in conflicting business or other interests, nor any other matters except those coming within the limitation of measures which have for their purpose the welfare of the entire community, and the making of Fort Wayne a better city, according to the *Sentinel*.

The civic council was suggested as a means of coordinating the public affairs activities of organizations such as the Rotary, Kiwanis, One Hundred Percent, Optimist, Exchange, Lions, Quest, University, College, and Women's clubs.

Films To Boost Local Schools

MARYVILLE is the hub of Nodaway County, Missouri. The Maryville Chamber of Commerce wants the county to be as famous for its schools as for its mules, and it put persistence and perspiration into the making of a motion picture, "And the Truth Shall Make You Free," to show the people of the county the scope of the school activities. Teachers and pupils put their hearts into the making of that picture. A parade of marching children and special floats was held.

Pictures were taken, and the Chamber of Commerce offered 20 feet of motion picture film free to rural high schools providing entertainment in the evening. Of this offer the *Kansas City Star* says, "This started the film's growth, but its real purpose was deeper

—to get the county folks pulling together for good schools."

The response is shone in the *Star's* statement:

The first result was that each of the high schools that had won 20 feet of film, and some that didn't, contracted for as much as 300 feet, although it cost about \$17 to produce every 50 feet. Then the schools earned the money to pay for it by giving socials, bazaars, pie suppers and other entertainments.

Other schools followed suit. The film soon became a sort of county child, in whom all had a personal interest. This quickly developed a splendid county spirit. Interest in the film even brought together communities divided by church rows.

The development of the schools is only one phase of the community work in Nodaway County, to which the Chamber of Commerce has given prompt and practical support and guidance. The Chamber sponsored a motor trip, in which a fleet of motor cars headed by a lemonade wagon visited the various towns and communities in the county, serving lemonade and giving a hearty handshake to the citizens. A film on the county's agricultural activities was also prepared as an outgrowth of the annual report of the Chamber's secretary.

"Buy at Home;" Now "Loyalty"

LOYALTY week will be observed annually in Mobile, asserts the *Mobile Mobilizer*, the monthly magazine published by the Chamber of Commerce. Describing the origin and development of the observance, the magazine says:

Mobile Loyalty Week was suggested by J. L. Bedsole as an evolution of the "Buy at Home" Campaign, that has been put on here and elsewhere. He proposed to go further and remove the cause, instead of merely treating one of the symptoms of a careless attitude of the public mind towards the home city. To do this, the general subject of civic loyalty; the obligation of the merchant to the trade no less than the obligation of the buyer to his city's commerce was to be stressed for one week and kept in view at all times. Loyalty to Mobile, in the broadest sense of the words, was the lesson sought to be taught and learned by the entire citizenship.

The following resolution has been proposed for adoption by the citizens:

I shall endeavor to be loyal to Mobile in all thoughts, words and acts.

As a citizen I will observe those principles that will promote Mobile's welfare and make it a more desirable place in which to live.

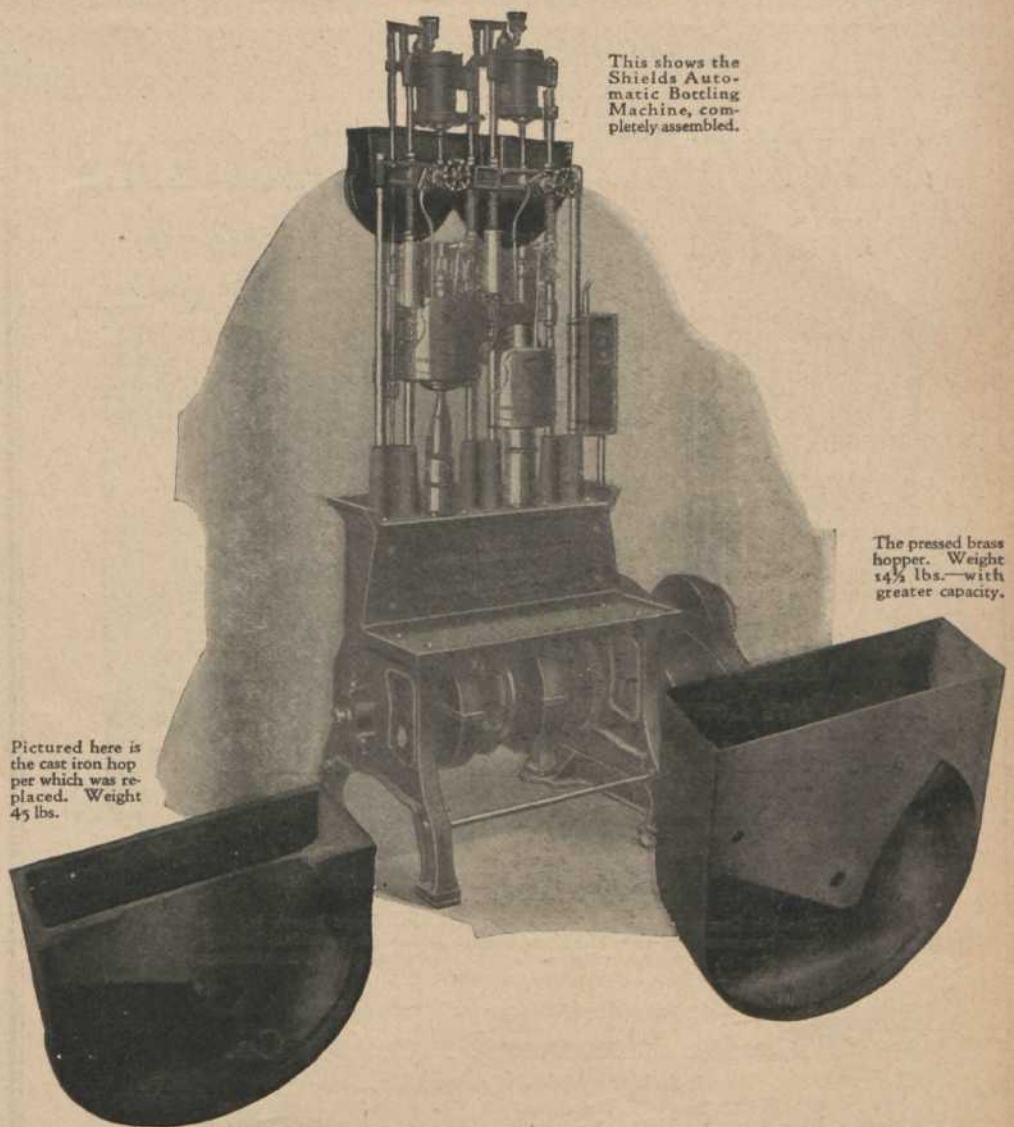
As evidence of my interest in its commercial development I will investigate home markets and on equal basis give Mobile institutions my preference in providing my needs.

Keeping a City Industrially Well

PATERSON, New Jersey, has set about putting its industrial house in order through a conference plan. Silk manufacturers and their 25,000 employees are concerned with the conference, which includes twenty-five manufacturers, twenty-five workers, twenty-five citizens, and a representative of the United States Department of Labor.

James Wilson, chairman of the Paterson Chamber of Commerce and of the conference, is reported to have said that the conference plan was devised because the "prestige of Paterson as a silk market was threatened with destruction because of the unrest and discontent among the workers." There are nearly 800 silk firms in Paterson with an invested capital of \$53,000,000.

Of the scope and purpose of the plan it is



Pictured here is the cast iron hopper which was replaced. Weight 45 lbs.

This shows the Shields Automatic Bottling Machine, completely assembled.

The pressed brass hopper. Weight 14½ lbs.—with greater capacity.

—So We Pressed It From Brass Instead

A SEEMINGLY impossible task was accomplished by our engineers in redeveloping a very intricate cast hopper requiring expensive machining operations used in connection with the Shields Automatic Bottling Machine made by the McKenna Brass & Mfg. Co., Pittsburgh, Pa. The cast hopper had many disadvantages—so we pressed it from brass instead.

summed up the following seven important advantages over the cast part.

1. Reduced the weight of a top-heavy part.
2. Eliminated machining operations.
3. Increased capacity.
4. Increased production.
5. Eliminated costly vitreous enameling.
6. Improved appearance.
7. Gained greater similarity of parts.

Here's the Interesting Story

To properly redevelop this hopper our engineers had three important things in mind at the start—reduction of weight, elimination of machining and prevention of rust. These three things accomplished they went a step further, then another, until they had

Have You a Similar Problem?

Just sit back for a moment and turn these seven points over in your mind. They're mighty important. Then let our engineers look over a sample or blue print of any cast part you are using and undoubtedly they can suggest an important improvement.

"Press It from Steel Instead"

YOUNGSTOWN PRODUCTS FOR MANUFACTURER & BUILDER

AGRICULTURAL	AUTOMOTIVE	GENERAL	FIREPROOFING
TOOL & WEIGHT BOXES • SEATS	RADIATOR SHELLS • CRANK CASES	LIFT TRUCK PLATFORMS • TANK HEADS	MACHINE GUARD & FACTORY PARTITION MATERIAL
LEVER LATCHES • TURNING & GONG WHEELS	HOUSING COVERS • BRAKE DRUMS	INDUSTRIAL CAR WHEELS • WHEEL DISCS	OLD FORMED CHANNELS & SHEET PILE HEAVY & LIGHT
HARROW TOOTH CLAMPS • CULTIVATOR SHREDS	CLUTCH DISCS • STEP HANGERS	HATCH CLEATS • BARREL HEADS	YOUNGSTOWN & PATTERSON CORNER HEAD & SQUARE HEAD
LAND ROLLER HEADS	HUB FLANGES	COMPOUND BOXES	MACHINE GUARD & IDEAL METAL LATH

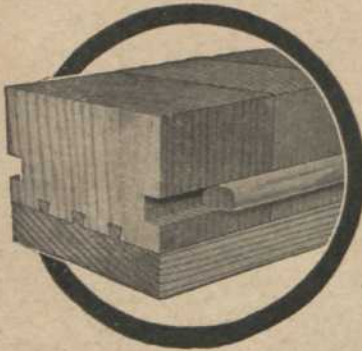
**THE YOUNGSTOWN
PRESSED STEEL CO.**

Main Office and Factories
WARREN • OHIO
District Offices

New York—50 East 42nd Street
Chicago—McCormick Building
Philadelphia—401 Finance Bldg.

SEVEN REPEAT ORDERS

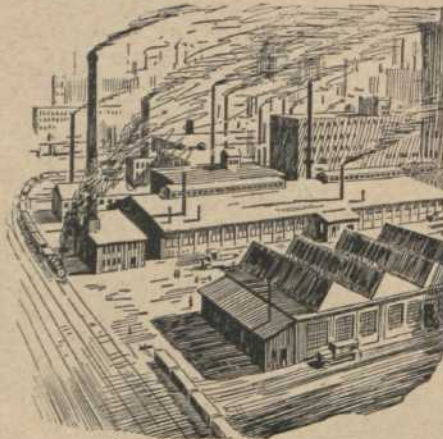
From American Can Company



**Comes in
8-Foot Lengths**

With the small Southern Pine blocks on end securely dovetailed to base boards 8 ft. long, Bloxonend forms a composite section that can be laid so as to obtain a surface unequalled in smoothness by any other floor of great endurance.

In 1918, a small quantity of Bloxonend was laid in the Newark, N. J. plant of the American Can Company. Since that time approximately 350,000 sq. ft. of Bloxonend has been installed in seven additional plants owned by that company. This is merely one of many cases where the first trial of Bloxonend flooring convinces the user that it is all we claim for it—and more.



Smooth floors reduce trucking costs. Resilient floors lessen fatigue and increase the morale of workmen. Bloxonend provides lasting smoothness, together with resilience—two qualities discriminating owners desire in a heavy service flooring.

Write Nearest Office for Descriptive Literature—Today

Carter Bloxonend Flooring Co.

R. A. Long Bldg., Kansas City, Mo.

Chicago: 332 South Michigan Ave.
New York: 501 Fifth Ave.

Cleveland: 1900 Euclid Ave.
Boston: 312 Broad Exchange

BLOXONEND

Lays Smooth—Stays Smooth

Save Your Friend \$1.50

Perhaps you would like to clip this out and send it to a business friend, recommending that he subscribe to THE NATION'S BUSINESS for the FULL three year term at a saving of \$1.50. Each month we learn of a great many instances in which readers have made this recommendation to certain of their business friends.

To the CHAMBER of COMMERCE

of the United States, Washington, D. C.

Kindly enter my subscription for the FULL Term, three years. I will remit \$7.50 on receipt of your bill. (The Part Term, one year price is \$3.00—the SAVING on the FULL Term is therefore \$1.50.)

Name _____

Street _____

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City _____

State _____

May, '23

said that "in the proposed movement there is to be no element of compulsion, no decision on controversial questions by voting, no reaching of agreements, no instituting of a permanent industrial arbitration. It is proposed to 'bring about an intensive discussion of all the points or subjects properly coming before it and in as clear and straightforward a way as possible, without unnecessary heat or passion and without discrimination.' Public opinion is expected to be the judge when all the facts are developed."

The first work of the conference will be an attempt to adjust the controversy over the duration of the work week. The workers have threatened to strike if the employers try to carry out their proposal to lengthen the work week from forty-four to forty-eight hours.

A 50-Year-Old Argument

WRITING in 1869 on the opportunities and uses of commercial associations, Hamilton A. Hill, then secretary of the old Boston Board of Trade, defined functional principles which have present practical application. Commenting on the purposes of commercial associations, he wrote:

Leaving out of the present account, the facilities for direct intercourse and trade, which such of these afford, as partake more or less of the nature of an exchange, they give opportunity to the business men of a city to unite for the purpose of remedying local disabilities, promoting local improvements and modifying or confirming local customs. . . .

In advancing public improvements of many kinds, business men must advise and work together. There must be a common fund of counsel, as well as money. For this the board of trade gives fitting opportunity. It supplies the best agency for weighing the merits of a new enterprise, for deciding upon the manner of its prosecution, and for placing it properly before the community.

One of his statements holds a convincing argument for membership in a Chamber of Commerce:

The business man needs constantly to be reminded that he is not only a man, but a citizen; not only one, but one of many. He needs to be drawn away from his isolation; to be directed from the earnestness of his pursuits. He needs to be taught the advantage which lies in mutual confidence, and in concurrent action. This is precisely what the board of trade or chamber of commerce is calculated to do. Its whole effect is to socialize, to liberalize, to harmonize. It softens the asperities of competition, it reconciles apparently conflicting interests, and it demonstrates that the common welfare is the best basis for individual prosperity.

A Community Mailing List

AN ADDRESSOGRAPH equipment and mailing list for bringing buyers to local stores has been established by the Chamber of Commerce of Weston, West Virginia. In preparing the mailing list, all stores submitted their customer lists; voting and tax lists were used, and city and telephone directories were consulted. Those lists were then checked and rechecked until all duplications were eliminated and only one name remained to the family, making it possible to address either the husband or the wife, according to the class of merchandise to be sold.

The mailing list is under constant revision through asking each user to print "Return postage guaranteed" on other than first-class matter. The returns are taken up by the Chamber. This list is much more accurate than would be possible for any one store to prepare and maintain alone.

Although the Chamber of Commerce bought

the original equipment to encourage greater direct-mail activities, it is maintained on a self-sustaining basis by charging a moderate fee for its use. Collection of the fees provides means for payment of the necessary clerical staff. Assistance has been given to local retailers in interesting manufacturers to use the list, which is susceptible of almost indefinite classification, thereby eliminating the wastage of trying to sell merchandise unsuited to the needs of the prospective buyers.

More Minds On Coal Problem

A PLEA FOR solution of the coal problem by economic rather than legislative means will mark the session of the natural resources group at the eleventh annual meeting of the Chamber of Commerce of the United States in New York during May. The group will give its time to coal entirely, as it is both a subject of pressing current interest to American business and it relates directly to the transportation problem which forms the major topic of the annual meeting to be considered in both general and group sessions.

As a base for the coal discussion, presentation is first to be made of a full review of the work of the United States Coal Commission. Plans for the meeting call for an authoritative outline of the Commission's methods and progress. An analysis of the labor situation at the mines and its effect on the cost of industrial coal will also be presented.

To Study Vocational Education

A GENERAL study of vocational education throughout the country is to be made under a cooperative arrangement approved by three departments of the Chamber of Commerce of the United States—Civic Development, Domestic Distribution, and Fabricated Production. Mr. William Mather Lewis, chief of the Chamber's education service, is to ascertain what general agencies are now interested in vocational education, what fields they cover, and what principles they have developed; also what is being done through special public institutions, as the Textile Trade School at Philadelphia, and through public educational institutions, as high schools. He is to continue his investigation as much farther as is necessary to determine the status of vocational education in the United States. In accordance with the tentative plan, he is also to coordinate the results of any separate investigations made by the departments of Domestic Distribution and Fabricated Production in their own particular fields.

A New Bulletin on Insurance

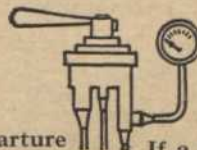
A BRIEF outline of the definitive provisions of various types of insurance policies is presented in the fourth bulletin issued by the Insurance Department, Chamber of Commerce of the United States. The bulletin has sections on the property covered by fire insurance, endowment insurance, and automobile losses and insurance, with practical suggestions in the direction of higher protection of property.

Attention is invited to the significance of the words "following described property" in their relation to the clause which operates to make a policy void in case of misrepresentation or fraud, and the effect of changing the location of insured property is also pointed out. The application of endowment insurance to corporate and individual uses is explained in paragraphs indicative of circum-

—WESTINGHOUSE AIR BRAKES—
STANDARD OF THE WORLD SINCE 1869



How the AUTOMOTIVE AIR BRAKE Solves a Serious Hauling Problem



HERE is a radical departure from anything previously accomplished in providing a safe, practical braking system for heavy motor transportation—a revolutionary improvement made possible by the Automotive Air Brake.

Where trailers or semi-trailers are used, the Air Brake can be extended to apply to all trailer units, in the same manner, and with the same beneficial results, that the Air Brake is applied to all cars in a steam or electric train.

With a mere turn of his control valve, the driver brings equal braking force to bear on all units, and the factor of safety thus is multiplied by two, four, six, eight or ten wheels, as the case may be.

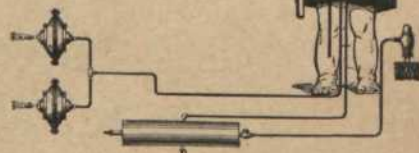
If a "break-in-two" occurs, the brakes on all trailer units are automatically and instantly applied with emergency force.

Think what this means in such hauling operations as that shown above. There is no longer any braking problem to hamper the development of truck- and - trailer transportation.

The Westinghouse Automotive Air Brake is applicable to any type of truck, bus or touring car and its advantages are winning rapid recognition in all three fields.



Write for further information

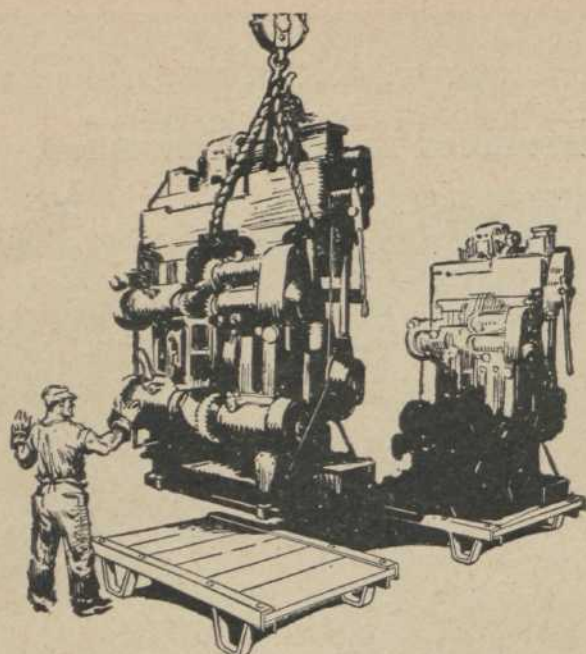


WESTINGHOUSE AIR BRAKE Co.

Automotive Division

General Office and Works, Wilmerding, Pa.

New York Washington Pittsburgh Chicago St. Louis San Francisco



Here's a platform as powerful as the lift truck itself

Your shop foreman will tell you that under average trucking duty the ordinary platform with nailed wooden legs has to go to the repair shop about every five weeks. A year's continuous service and it is ready for the junk pile.

Follow the example of hundreds of alert factories and terminals. Standardize on Stuebing "Steel-Bound" Platforms and save upkeep expense. Keep *all* of the money that your lift truck system is saving you.

Stuebing Platforms are built especially to stand the same severe loading and hauling duty the Stuebing Lift Truck has mastered. Powerful steel rails protect edges and corners of the top. Forged steel bolts clamp rails, top and

steel legs together in a vise-like grip, *binding* the whole into a rigid, non-wabbling unit. Hence—"Steel-Bound!"

Stuebing Platforms can be used to full advantage with any make of lift truck—either hand or power propelled. They come in various sizes, with carrying capacities up to 10 tons. They are easily fitted with stakes, bins or racks to handle any product.

Stuebing "Steel-Bound" Platforms actually cost *less* than old-style nailed platforms, because they give unlimited service, and pay for themselves in the many upkeep savings effected. Find out more about Stuebing Platforms. Write for descriptive folder.

The Stuebing Truck Company, Cincinnati, Ohio; Montreal, Que.

Stuebing

LIFT TRUCK SYSTEMS

A Few Bound Volumes of

THE NATION'S BUSINESS

for the Year 1922 are available

Price: \$4.50 per Volume

THE NATION'S BUSINESS

Washington, D. C.

stances under which other forms of insurance would be more suitable. Automobile losses and insurance have detailed consideration in the discussion of the extent of coverage, exclusions, indemnity for actual loss, loss and adjustment, and rates.

The value which may attach to specifications, patents, and formulae is emphasized in the bulletin. Years and considerable money may have been spent in their accumulation and they may not be replaceable, says the bulletin, urging their safe protection apart from that of any insurance that may be obtained.

Benefits of Chamber Membership

RECOGNITION of the benefits to be derived by trade associations through membership in the Chamber of Commerce of the United States is carried in a resolution adopted by the New England Hardware Dealers' Association at its annual meeting in Boston, February 21-23. The resolution follows:

Further resolved that in these days of much legislation, good, bad and indifferent, we should use every means available to keep posted on the proposed measures introduced and there is no better channel through which such information can be derived than the U. S. Chamber of Commerce. Let us give this Chamber our earnest support in its efforts to thwart and correct pernicious bills. The paternal attitude of some of our so-called statesmen is such that the individual is deprived of his inherent right to think for himself. As our association is affiliated with the United States Chamber of Commerce, we urge that you make diligent inquiries into legislative matters, through this Chamber of our Association.

Coming Business Conventions

Chamber of Commerce of the United States,
New York City, May 7-11

Date	City	Organization
May 1-4	Denver	Aeronautical Chamber of Commerce of America.
May 1-4	Denver	Air Brake Association.
May 2-4	New Orleans	National Foreign Trade Council.
May 2	New York	National Bureau of Casualty and Surety Underwriters.
May 3-4	New York	Tanners Council of the U.S.A.
May 4	New York	Vacuum Cleaners Manufacturers Association.
May 7-9	Norfolk	American Association of Engineers.
May 7-8	St. Louis	American Zinc Institute.
May 8-9	St. Louis	Associated Cooperage Industries of America.
May 8-11	Kansas City	Linen Supply Association of America.
May 9	Chicago	Wholesale Sash and Door Association.
May 9	Richmond	National Association of Stove Manufacturers.
May 9	Washington	American Short Line Railway Association.
May 9-11	Indianapolis	National Paper Box Manufacturers' Association.
May 13-19	Cleveland	National Association of Purchasing Agents.
May 14 (week)	New York	National Association of Manufacturers.
May 14	New York	National Association of Printing Ink Makers.
May 14	Philadelphia	Atlantic Coast Shipbuilders Association.
May 14-16	Cincinnati	National Pipe and Supplies Association.
May 15-18	St. Louis	National Wholesale Grocers Association.
May 16	St. Louis	National Coal Association.
May 16-18	Ft. Worth	Southwestern Electric and Gas Association.
May 17-18	Boston	New England Foreign Trade Convention.
May 17-19	Cincinnati	Southern Supply and Machinery Dealers Association.
May 21-25	Detroit	American Water Works Association.
May 23-25	Atlantic City	National Confectioners Association of the United States.
May 24	New York	National Board of Fire Underwriters.
May 24-25	Florence, S. C.	Southern Retail Furniture Association.
May 26	York, Pa.	National Print Cutters Association.
May (last week)	Del Monte, Calif.	Pacific States Paper Trade Association.



Stuebing Steel-Bound Platforms match the Stuebing Lift Truck in strength of build and adaptability of service. They won't wear down or wobble.



Foreword to Industries Contemplating Expansion or Looking for Plant Sites and Storage Points—

Before leasing or buying any property, stop and consider what the possibilities are for adapting various War Department properties to meet your needs.

In the next three or four months real estate, buildings, plants and warehouses, appraised at approximately 110 million dollars already declared surplus by the Secretary of War, will be

offered for sale one at a time—either by auction or sealed bid. These properties, developed to keep pace with our War time policy of maximum human and mechanical effort, are scattered hither and yon throughout the United States. Such properties as those following are included in the real estate and plant offerings to be available at early dates:

Army Base, Norfolk, Va., Piers, Warehouses and Improvements.
Camp Devens, Ayer, Mass., Buildings and Improvements.
Curtis Elmwood Air Depot, Buffalo, N. Y., Land and Improvements.
Camp Dix, N. J., Buildings and Improvements.
Ordnance Reserve Depot, Amato, N. J., Land and Improvements.
Morgan Ordnance Reserve Depot, South Amboy, N. J., Land and Improvements.
Camp Meade, Md., Buildings and Improvements.
U. S. Nitrate Plant, Ancor, Ohio, Land and Improvements.
Camp Grant, Rockford, Ill., Buildings and Improvements.
Ordnance Reserve Depot, Toledo, Ohio, Improvements.
Camp Knox, Louisville, Ky., Buildings and Improvements.
Camp Lewis, American Lake, Wash., Buildings and Improvements.
Seven Pines Ordnance Reserve Depot, Va., Land and Improvements.

No dates are yet established for the sale of any of this property. It behooves industrial executives to give heed to the possibilities these properties offer them, and to watch their respective business publications and the commercial and metropolitan dailies for announcements of sales dates.

Meanwhile there is the matter of industrial equipment and supplies for you to consider. Auction and sealed bid sales in which a lot of such material is usually available, are constantly being held.

The sales nearest at hand are listed in the panel on this page. Look over these sales and send for any of the catalogs that interest you as directed in each sales date announcement in the panel. However, it is always the best idea to send your name to Major James L. Frink, Chief, Sales Promotion Section, Room 2515, Munitions Bldg., Washington, D. C., who will see that you will be put on the War Department mailing list for catalogs of all sales in which he thinks you will be interested.

WAR DEPARTMENT	SELLING PROGRAM
<p>MAY</p> <p>May 10.—Q. M. Supplies, Columbus, Ohio, Auction. For catalogs write Q. M. S. O., General Intermediate Depot, 1819 West Pershing Road, Chicago, Ill.</p> <p>May 11.—Air Service Supplies, Rockwell Field, Calif., Auction. For catalogs write Chief, M. D. & S. Section, Air Service, Room 2624, Munitions Bldg., Washington, D. C., or A. S. Supply Officer, Rockwell Field, San Diego, Calif.</p> <p>May 15.—Q. M. Supplies, San Francisco, Calif., Auction. For catalogs, write Q. M. S. O., General Intermediate Depot, San Francisco, Calif.</p> <p>May 16.—Trench Shoes, Washington, D. C., Sealed Bids, For proposals write Quartermaster General, Munitions Bldg., Washington, D. C., or Q. M. S. O. at</p>	<p>the following locations: 59th St. and 1st Ave., Brooklyn, N. Y.; 1819 West Pershing Road, Chicago, Ill.; San Antonio, Tex.; San Francisco, Calif., or Chief, Sales Promotion Section, Office Director of Sales, Room 2515 Munitions Bldg., Washington, D. C.</p> <p>May 17.—Q. M. Supplies, Chicago, Ill., Auction. For catalogs write Q. M. S. O., General Intermediate Depot, 1819 West Pershing Road, Chicago, Ill.</p> <p>May 24.—Q. M. Supplies, New York, N. Y., Auction. For catalogs write Q. M. S. O., General Intermediate Depot, 1st Ave. and 59th St., Brooklyn, N. Y.</p>

Write for any of these catalogs which interest you

The Government reserves the right to reject any or all bids.

WAR DEPARTMENT

Electricity Solves the Heating Problem



The most valuable feature of electrically-heated furnaces is the accurate control which may be obtained. Westinghouse heating equipment is designed for efficient operation, accurate control and easy replacement.



Progressive manufacturers are effecting tremendous savings by baking enamel in electrically-heated ovens. Westinghouse heating equipment for this service is characterized by accurate control, efficient and dependable operation and flexibility of arrangement.



Westinghouse Space Heaters solve many awkward heating problems. These rugged "strips of electric heat" provide a safe, dependable means of heating valve rooms, crane cabs, tanks, etc.

This is the newest and most comprehensive service that electricity has brought to Industry—the wonderfully effective solution of the problems presented by processes that involve the application of heat.

Here is a heating method—regardless of the temperature required—that provides, for the first time, everything that is necessary or desirable for the satisfactory and economical operation of heat-generating apparatus.

Where you heat electrically you are in absolute control of the process, or the situation, at all times. You can make this control automatic if you will. There is no dirt, no dust, no ashes, and, note well, no *combustion*. You can heat an office, or a watchman's shanty, or you can have temperature so high as to be unattainable with any other fuel; and any or *all* with a degree of economy that will not fail to surprise you.

In but a few years every industry, every manufacturer, will be using electric heat as a matter of course. Why do you wait?

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Clean warm air, without banging pipes or hissing steam, without fumes or odors, instantly controlled by a convenient switch, is provided by the Westinghouse Electric Air Heater.



Better products are obtained by using the Westinghouse Electric Reel-type Bake Oven. The control is entirely automatic, the labor required is a minimum and uniform results are obtained day after day.



In candy manufacturing, uniform results depend upon uniform heating. Westinghouse Electric Chocolate Warmers insure absolutely uniform heating, and are safe, easily controlled and clean.



The Westinghouse Electric Solder Pot saves time by placing the solder beside the job, saves heat by proper insulation, and saves solder by reducing oxidation. Working conditions are improved and fire-hazard eliminated.



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